

# ***Contractor's Report to the Board***

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*Encouraging Re-Refined Oil's Use at the Quick  
Lube*

## ***Re-Refined Oil Outreach***

*October 2005*

***Produced under contract by:***



*California State University, Dominguez Hills  
Foundation*



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# Executive Summary

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In California, the majority of oil changes are performed by “quick lubes” (retail outlets of quick service concerns that perform automotive oil changes as a specialized service offering). The most widely used motor oil is “virgin” motor oil (oil produced from refining crude oil) in lieu of motor oil that was derived from re-refining used oil. This extensive use of virgin motor oil depletes crude oil resources. The use of re-refined oil offers a means of preserving oil resources, which decreases the amount of oil California must import into the state, leaving more crude oil resources for future use.

The purpose of marketing, advertising, and sales initiatives is to get the targeted market segment or the potential customer to change behavior, to do something. In the case of this specific marketing study, the object was to get the customer to specify re-refined motor oil in the quick lube oil-change situation. This market research study develops and tests advertising strategies targeting drivers in the 18-to-30-year age bracket in order to increase the sale of re-refined oil changes that are conducted by quick lubes.

The literature review employed library and Internet searches and interviews with experts. The producer of the motor oil does not ultimately deliver the product to the end user. This involves the product traveling through a “distribution channel” that links the producer (here, perhaps, Mobil Oil) and the end user, the California motorist getting the vehicle’s oil changed at one of the quick lube establishments in the state. Thus, the quick lube outlet is a retail service establishment, part of the *distribution channel* of motor oil.

The most important factor discussed in the literature review on distribution channels is that of the importance of “power” in these relationships in the supply chain. The uneven level of relative power between various members of the channel often makes things seem more complicated than they would appear at first sight. That is certainly the case here, as discussed in this report. Selling re-refined oil to California motorists, through its promotion at quick lubes, is a very challenging situation. This report identifies some helpful pointers for this marketing effort.

The survey research design included extensive telephone interviews, polling all types of sources: officials of national and state oil change organizations, publishers of the industry journal, oil producers, re-refined oil producers, government officials, civil servants dealing with the environment, and especially owners and managers of quick oil change establishments (“quick lubes”).

A number of challenges arose. On many occasions, the quick lube manager who started providing information had to hand the conversation off to an assistant. Also, the frequent insistence that the source speak on condition of anonymity makes a full listing of the individuals polled impractical, and sometimes impossible. However, these various sources did allow the researcher to get a more complete picture of the roles of players and entities in this industry. The study revealed pressures impacting these players, as well as the pressures they impose on others.

The California Integrated Waste Management Board specified the following groups in the research design. Here are the contributions of these groups to the research:

- Officials of national and state oil change organizations: These officials offered an overview and information about the development of the quick lube business. They had information about various programs that their members had taken part in, whether sponsored by their organization or not.

- Owners and managers of quick lubes: As is well known in industry, those making the sale and dealing directly with the customers are often the best source of information on their tastes, fears, concerns, and so on. They also know best the constraints of marketing a new product from their retail outlets.
- Publishers of the industry journal: They also offered an overview and information about the various players in this industry.
- Re-refined oil producers: Past efforts to market re-refined oil, equipment considerations, and especially attempts to fill the need for bulk-dispensed re-refined oil.
- Government officials, civil servants specializing in the environment: Unique viewpoint on the marketing of environmental products in general; community participation and related issues; and availability of, and constraints to, using local officials to participate in any future re-refined oil promotional campaigns.

The targeted market segment was California motorists aged 18–30. This segment was targeted because younger consumers are known to be less set in their buying habits and more open to trying new products. Conducting research at California State University, Dominguez Hills, provided ample access to individuals in this age category. Input was also drawn from non-students by recruiting focus group participants at a nearby community center and shopping mall (the so-called “mall intercept” method).

The researchers conducted focus groups using members within the targeted market segment, the 18-to-30-year-old California motorist. Findings from these groups show that re-refined oil was not well regarded by members of this group. Members of this group care about the environment, but only within very limited conditions. The researchers then combined focus group findings with findings yielded by the literature. We developed themes from these various sources with special attention paid to the responses from the focus groups. We prepared a group of promotional campaigns attempting to address the concerns and possibilities revealed by the focus group research. We prepared promotional campaigns in poster and direct mail letter (with or without inclusion of a coupon) format.

## ***Services Marketing Research***

Throughout the academic literature, the marketing of *services* is presented as being unique and different from the marketing of *goods*. Consumer literature dealt with various areas of car care—especially the frequency of oil changes, an often-queried issue among consumers.

Directly affecting our project and the success of any effort to promote re-refined oil is the varying respective power of those within the distribution channel—the motor oil producers, the quick lube chain management, the individual quick lube owner, and so on. This will be discussed in more depth in the report, although we did identify great pressure to stay with the status quo in choice of motor oil offered to the customer in the quick lube situation.

The goal of this project was, among other tasks, to develop promotional pieces for re-refined oil. When a theme surfaced—especially in the focus groups of potential customers—often enough to be viewed as important to this market, we isolated and examined as to how it could be used, or addressed, in the advertising message. We then developed an advertisement, for example, to counter an objection to the use of re-refined oil. Such objections arose quite frequently.

We surveyed quick lube establishments to find those that would allow us to test these various campaigns. The Grease Monkey brand of quick lubes was gracious enough to allow us to test our

five advertising “treatments” (after one was eliminated) at five of their locations in Riverside County, California.

At the outset of the survey, it was immediately apparent that few quick lube businesses were receptive to introducing a product that would compete with their in-house brands of motor oil. They were also concerned that the management of the quick lube chain, or other players, might not approve of such retailer participation in this research.

Having found Grease Monkey International willing to participate in the study, we used the opportunity to test these various promotional campaigns only at Grease Monkey quick lube retail outlets. This would minimize any possibility that the results would be tainted by a “brand of quick lube where study was placed” effect, which possibility might muddy the results. In other words, this eliminated any effect the quick lube outlet’s brand might have on the results.

To successfully launch a new product, marketing people should get the sales staff involved in the development of new programs and materials from the onset, and throughout. If the sales force is not on board, the program often fails. The Grease Monkey representative was most generous with his time and information. We were able to get many customer insights as well as candid information on the usability and effectiveness of marketing tools and campaigns from him and from the managers we polled at other quick lubes.

New marketing barriers began to occur upon actual insertion of the advertisements at the locations specified by the managers at Grease Monkey (GM). The barriers were caused by an unexpected number of limitations placed on the study, which we had until then not been made aware of. As a result, the form of the promotion was limited and changed. Below we discuss the reasons why we chose to stay with Grease Monkey in the face of these limitations. This also affected follow-up efforts.

## ***A Preference for the Poster Format***

Initially we developed six campaigns in four different formats: (1) coupon, (2) direct mail, (3) billboard, and (4) poster, totaling 24 approaches. Objections raised by the management of Grease Monkey limited the marketing strategy formats to only the poster format; therefore, 18 approaches were unusable. We dealt with a number of placement and promotional problems, with varying degrees of cooperation from GM. We proposed a sixth strategy but CIWMB rejected it because our claims that auto manufacturers such as Ford, General Motors, and Mercedes Benz use re-refined oil could not be validated. In the case of Mercedes Benz, prominent in this ad, the claim was refuted.

We sought input from Grease Monkey management staff on an acceptable poster size for display frames in GM’s outlets. Each of the five remaining marketing strategies, after CIWMB discarded the sixth, was introduced at each of five quick lube outlets. The tests included different promotional graphic posters.

Preparation of additional materials, as specified and counseled by the GM representatives, accomplished and inserted at the test sites.

Involving the marketing staff at quick lubes to increase the impact of the posters resulted in the suggestion of an additional promotional piece, a point-of-purchase “rack card” that fit within current Grease Monkey marketing themes based on a “retro” style. The retro style gave the appearance that re-refined oil continues to be the product of choice as in the past and present, so we were happy to accommodate our style of message to theirs. Most importantly, it fit in with their other cards in the dispenser (which they allowed us to use) showing other offerings

(transmission oil, etc.). Grease Monkey staff told us they could not even so much as *indicate* the card's presence to their customers, lest they be thought to be "recommending" the product.

The limitation of our promotional efforts to posters and "rack cards" that appeared only in the retail outlet did, in effect, reduce the impact of the promotional efforts, and the results show this. Only *seven* purchases of re-refined oil changes occurred during the test period, so few that our mission to determine the most effective advertisement was compromised.

This research illustrates why large companies conduct *several* rounds of market research and testing before taking a product to market. The CIWMB could not have known about the involved and complex nature of the relationship between suppliers and quick lubes when they recommended this market research project. The limitations we encountered late in this study were probably ones that all quick lube retail managers would be subject to, as a result of the nature of their relationship with their oil suppliers. Indeed, the situation only became apparent to this researcher after extensive—and often persistent—interviewing with several industry members.

Given the situation as it is now set up, we have concluded that no promotional campaign for re-refined oil would succeed when marketed through quick lubes without the agreement of the major oil companies to adopt re-refined oil themselves. However, this research project did yield a number of results. Most importantly, it yielded a strategy that *could increase* the use of re-refined oil by quick lube oil change services. This strategy is also spelled out in this report, as well as other strategies and tactics for limiting motor oil usage.

The research yielded the following results:

- An overall strategy for marketing re-refined oil to customers, which would be more efficient than that used in the campaign.
- A more in-depth understanding of the attitudes of motorists about re-refined oil, and about their car maintenance efforts, in relationship to environmental concerns.
- A series of promotional materials of five different conceptions, all elaborated in the formats of direct mail, coupon, poster, and billboard (20 approaches total).
- A deeper understanding of the pressures on the individual quick lube retail outlet's management to serve the public.
- An in-depth understanding of the whole quick lube industry and its relationship to its oil company suppliers.
- A strategy for encouraging the use of re-refined oil by motorists using quick lube outlets for their oil changes.



# Introduction

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The overall goal of this research effort is to find a method of making re-refined oil represent a greater percentage of the oil used in privately owned automobiles. The method elected is by making this special kind of oil more attractive and available to California motorists who choose to have their vehicle's oil change performed at a quick lube.

Quick-service oil change retail outlets occupy an important place in modern car care service offerings—and in the customers' minds—as to where they can get their car's oil changed. They are known to offer faster service than other oil change service options (such as at car dealers' service sections, or in independent car repair centers). At the same time, the car owner can avoid the messiness, waste oil disposal problems, and time commitment of changing the oil in his car on his own. (The customer of this service will hereinafter be referred to using the male pronoun, although customers of both genders frequent such establishments).

The research objectives were to influence California motorists' decisions to use re-refined oil and specify it at their quick lube when ordering their periodic oil changes. This would then free California from importing quite so much "virgin" (first-time use) motor oil. It would also help solve the important environmental problem of the disposal of used oil, with its attendant environmental risk, especially if the used oil should find its way into the state's freshwater resources.

The objective necessitated the following interim goals:

- Reviewing the relevant literature.
- Learning about the attitudes of drivers and quick lube owners concerning re-refined oil and related areas.
- Developing different advertising campaigns incorporating findings about customer attitudes.
- Identifying sources of re-refined oil that might be supplied to quick lubes.
- Overcoming other barriers to re-refined oil's use in quick lubes.
- Recruiting quick lube retail outlets to allow testing of these ads.
- Placing the ads and the re-refined oil in quick lubes.
- Comparing the sales figures at the various test sites after the ads have been placed at those outlets.
- Determining the most effective of the re-refined oil change test advertisements.

These successful advertisements could then be used in educational outreach activities aimed at California motorists. The ads could be used in campaigns designed to reduce the state's use of virgin motor oil for automobile oil changes in privately owned cars.

Conducting this research and polling those representative of all the varied interests in this industry revealed that this problem—that of gaining acceptance of this product—is far more complex than simply coming up with the right jingle, the right visual, or the right ad. The solution may well lie far from our efforts, but the one we recommend came to light only after the most persistent questioning. Those serious about wanting to see re-refined oil's use, or the use of any environmentally beneficial product which is currently not at the market forefront, should certainly

consider these findings. Those who would promote *any* changes which would protect the world in which we *all* live, breathe, buy, and consume products should also consider them.

This document will describe this research effort and present its products, results, and findings.

## Literature Review

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We consulted literature in various areas in an effort to better understand the challenge of marketing re-refined oil to customer service providers.

### ***Understanding the Quick Lube Business***

“The marketing concept” is of paramount importance in understanding the customer, his motivations, and needs in regards to enticing that customer to buy any product or *good* (Kegan and Green, 2004; Kotler, 2004; Solomon and Stuart, 2003). The science of marketing has been extended more recently, with an exploration into the motivations and needs of those buying *services* (Gronroos, 1983; Lovelock and Wright, 2002; Lovelock and Wright, 2004; Parasuraman et al., 1988, 1991, 1994), from a meal at a restaurant to a visit to the doctor.

The marketing of a good involves a product that is *tangible*, whereas the purchase of a service may involve nothing more than an airline ticket that is tangible. Indeed, with the newer “paperless tickets,” even that is now intangible. In the case of a back rub, psychological services, or an aromatherapy session, the customer leaves with *nothing* tangible—and in the case of a haircut, the customer comes away with *less* than before the service was performed. This demonstrates a number of differences and special considerations of the marketing of a service, like the service of having one’s car’s oil changed.

We found literature on operational aspects of services (Maister, 1984; Larson, 1987; Chase, 1981). Services differ from goods in a number of ways: the experience of getting the service is not divorced from the manufacture of the service. Unlike with products, the service is *produced as it is consumed*. The individuals rendering the service are far more important than those actually making the good. No one would refuse a can of peas if a different worker operated the canning machinery (indeed, the customer has no way of even knowing whom that might be). But many would refuse an appointment with a doctor, marriage counselor, and so on, should a different practitioner appear to render the service than the service provider who was anticipated.

The type of organization and personnel used to support the delivery of high-quality service is fundamental to the competitive advantage of a business (Carlzon, 1987; Gronroos, 1990; Davis, 1989; Wyckoff, 1991). In contrast to the standard “four Ps” of marketing a good, the “marketing mix” (the various important considerations in marketing of a service) consists of seven Ps (product, price, place, promotion, physical evidence, process, and people) (Booms and Bitner, 1981). The final three aspects, physical evidence, process and people, are the considerations distinctive to services. Special attention has been given in services marketing to, among other things, understanding customers, anticipating their needs, and training and motivating the front line (Wirtz and Johnson, 2003).

McKenzie-Mohr (2000) and McKenzie-Mohr et al. (1995) have explored the social marketing aspects of responsible environmental behavior, and especially the challenges to those who would use this information. In addition to publishing in this important area, the author has conducted workshops in the field for both individuals and businesses concerned with promoting such behavior.

A search of more consumer-oriented literature yielded some interesting additions to the above. In 1992, *USA Today* reported that recession-strapped consumers do, indeed, respond to their financial pinch by skipping routine car maintenance, a concept that might be operating today as well. Economic conditions affect, first and foremost, *how often* many consumers' major possessions are replaced. A motorist experiencing financial difficulties might choose to put off buying a new car, therefore driving an older model longer. This same motorist might also choose to spend less on maintaining this car, putting off an oil change as long as possible. The understandable combining of these two behaviors to save more money would further sensitize the frugal motorist to the crucial nature of the oil change, "to keep one's engine young."

*Black Enterprise* reports that many irate customers have posted car maintenance grievances on the Internet, at such locations as the colorfully-named "AAMCO Sucks" section, at [www.ripoffreport.com](http://www.ripoffreport.com). Such efforts on the part of the market obviously reflect a mistrust of those offering automobile service, and probably a frustration that their complaints are not handled in a way they see as appropriate. This indicates that any advice from quick lube personnel that a promotional program might seek to incorporate in its program would be met with skepticism.

*Information Week* computer magazine reports on Jiffy Lube's use of voice-enabled software to remind motorists that their car is in need of an oil change. This service offering will be of value to owners of older cars, which do not include the recent development of the car's automatically letting the driver know when an oil change is needed. This might offer a way to distinguish the drivers of older cars and allow environmentalists to tailor a message to their distinctive needs in promoting re-refined oil.

The oil change *interval* is probably the most inquired-about and written-about subject within the oil change business in the popular press. The column "Auto Letters" in the *Chicago Tribune* reports the concerns of some about the lengthening intervals between oil changes recommended by some automakers, such as Audi. The "Auto Doc" column in Long Island's *Newsday* newspaper addresses similar concerns. The columnist notes that many such expensive vehicles' synthetic oil systems often hold eight quarts of oil, as opposed to the more normal five quarts. The vehicles can also run longer between oil changes without engine damage.

*USA Today* also deals with the subject of oil change intervals, mentioning that "*maybe we are all changing our oil too often, [their emphasis], wrecking the environment, and wasting our money (and time and effort)...*" (Eldridge, 2002). Cleveland's *Plain Dealer* reports that Toyota, in 2002, was reimbursing auto owners for damage, if they could prove that they had had *only one* oil change in the calendar year! In 2002, *Newsday's* "Auto Doc" reassures his readers not only about the longer oil change intervals, but also about the use of synthetic motor oil, in general. Certainly, the goal of reducing the use of virgin motor oil, and also of reducing the used oil which might find its way into fresh water in California, would dictate a closer examination of this important information. This report includes a program proposal based on these ideas.

## Learning about Driver- and Quick Lube Manager Attitudes

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The researcher gained a general understanding of the car maintenance process, the role of oil changes service providers, and the market of California motorists making up potential buyers of re-refined oil changes.

## ***Quick Lube Managers in a Complex, Power-Driven Industry***

We conducted surveys to identify the barriers and benefits of marketing re-refined oil. We uncovered no distinguishing factors between quick lube operators who sell re-refined oil and those who do not offer this product. Those who do stock it typically keep a small number of cans of re-refined oil on hand, necessitating the more lengthy opening and pouring of each can (bulk dispensing is always quicker and less messy).

Interviews were conducted via telephone with 40 quick lube managers following the questionnaire included as Appendix A, at the end of this report.

### ***Survey Challenges***

We had frequent problems in reaching the quick lube manager on the phone. They are often busy with customers (seemingly a greater problem for the manager of a quick lube than in other businesses). The nature of the service is that it is performed quickly (some managers bragged that they could perform an oil change in as little as *eight minutes*!) on the shop floor. The customer wants the service to be performed as quickly as possible.

Indeed, many such managers do not even have offices. All this discourages the respondent-manager from taking time to ponder questionnaires or give balanced, even-handed responses.

Another barrier to many quick lube *owners* participating in such research is that the revenues associated with owning *only one* quick lube may not supply an income sufficient to assure a good living. Therefore, some owners own *multiple* quick lubes, lessening the chances he (this researcher did not encounter one quick lube owner who was a woman) would be at the quick lube when it was telephoned.

Since management is necessary even in their absence, many owners hire general managers/supervisors. Because of the particularities of this industry, many of these are Spanish speakers. Delivering this questionnaire to them was impossible for this researcher. It was surprising to note that repeated telephoning, calling back when requested, and so on, made it difficult to complete more than only *five* questionnaires per day, even in a day spent exclusively trying to complete these research instruments.

Respondents were usually cooperative, although some harbored ill feelings toward environmental or governmental organizations in general, and even the CIWMB specifically. This last, they reported, was because of their perceived unfairness about how used oil programs are administered, or even how the “Superfund” clean-up dollars are being handled. Those considering implementing some of the recommendations mentioned at the end of this report might keep this in mind.

### ***Underlying Needs of Quick Lubes***

Interviews with quick lube managers revealed that they are subject to a number of pressures that adversely impact a study of this sort.

Companies want more business, and advertising usually drives increased business. Since advertising is always one of the biggest expenses of a business venture, the initial belief was that free advertising, or promotion, would be desirable to those who run a business.

This study shows that findings resulting from this study show that offering quick lubes free advertising was not enough to assure participation. According to the managers of quick lube chains, they do not want to anger their supervisors, who are usually affiliated with the oil

suppliers. On the other hand, if they are independents, they do not want to anger their distributors, who have the power to stop the flow of oil and ruin their business.

Making decisions to avoid provoking these powerful forces is quite a bit more important to a quick lube manager than allowing a State agency to test an advertising campaign championing re-refined oil. It was also more important than getting the free promotion that we were offering as incentive to them to work with us in this test.

### ***Finding Common Ground***

Given the barriers facing most quick lubes, this researcher found Grease Monkey (GM) shared our common interest in marketing re-refined oil. The exception to all other quick lubes surveyed, GM markets re-refined oil to federal government agencies operating fleet vehicles. The company permitted the testing of re-refined oil ads at their outlets, however in a somewhat more limited scale than initially planned. Free promotion was, for most potential participants, an insufficient incentive to secure their participations, given the risks described above.

Some quick lube managers chose not to participate in the study because they did not want to market a product that would compete against their oil supplier's product. The quick lube managers, in general, were also reticent to state this. Midway through the research, this researcher realized that they were very specific about the form of the promotion they would permit us to use. When response was less than hoped for, this researcher offered to analyze traffic patterns, determine some likely customers, and reinforce our efforts in direct mail promotion with coupons. The goal was to get customers in to GM outlets to try our re-refined oil offering.

The comment of a very savvy industry watcher was telling. He said, "All that would have to happen is for one of their distributors to get ahold of *one* of those letters [*promoting re-refined oil*]*—and they [GM] would have a world of trouble with their suppliers!*" So there is the answer, and it is textbook marketing: source after source talks of the importance of power in the relationship between those within a distribution channel, and in this case, this was operating against such an advertising test taking place.

This is seen constantly in business. New food products can barely get onto the shelves of grocery stores. Their producers (if they are small, new companies with no power) sometimes have to pay for the privilege. This is in effect *bribing* their own retailers to carry their product—otherwise known as "slotting allowances." Big producers like Proctor and Gamble (P&G) can get their goods onto shelves without paying any slotting allowances. P&G has more power than a Von's, Albertson's, Ralph's or any other individual retail grocery chain.

Fine automobile producers are jealous and selective about their distribution channels. They only want *one* distribution in a given area; here most retailers are shut out of representing them at all. Small retailers often get caught in the "squeeze" of having to pay their own invoices for delivered goods before they have collected from their own customers for those goods.

Giant retailers like Wal-Mart take an agonizing 90 days to pay their suppliers' invoices. If the suppliers don't like it, they can sell their products elsewhere. This all has to do with power—and in the quick lube business, the oil companies have it, even if a quick lube manager, or a chain, has been distributing their motor oil for years without complaint.

This is a very tough market to crack, and the CIWMB's entire Used Oil Program budget would not fund enough advertising to crack it. We cannot solve the problem with advertising—especially for a product that has such a poor image in the public mind (thus necessitating more expenditure to accomplish persuasion).

### ***Other Factors Affecting the Decision Maker***

A large number of quick lube outlet managers are *not* independent owner-managers. This is probably the biggest distinction between the respondents—whether they are working for themselves as independent outlet owners, or working within a larger organization or chain of quick lube outlets under a franchise arrangement as a member of middle management.

Those affiliated with a chain of outlets are either limited by decisions made by those administering the chain above them, or they are simply employees of the organization that owns the chain of quick lubes. These organizations are usually oil companies. The managers therefore do not have the power to change the kind of oil offered in their outlet, and indeed could not even aid the project by allowing an advertisement for re-refined oil to be tested at their location.

Secondly, managers are quite limited by the constraints of time pressure to perform the service work offering. This would make it *difficult to add anything further to the process of ordering* and completing the oil change—such as informing or educating the customer as to the value of using re-refined oil.

In addition, owing to job market forces, many of the employees in quick lubes do not have native fluency in English, further limiting the ability of “order writers” (those who write up the oil change service order) to give any information about alternatives such as re-refined oil. Such employees sometimes get promoted and are then, themselves, managers who do not speak English well, and could not respond to our questionnaires.

Turnover among order writers is also high. This presented a problem for this study. One of the main challenges of any retail manager’s job is to attract and keep enough employees to provide the service and run the outlet. The working conditions in a quick lube are hot and messy for the lowest level employees. These conditions, and low pay, drive a high turnover rate. Training and retraining the order takers and their replacements on how to present a re-refined oil change to the public would be a large disincentive to this form of promotion for re-refined oil.

### ***Quick Lube Image***

Elsewhere in this giant picture, a series of exposés by the local news media has investigated “shady dealing” on the part of quick lube retailers. According to these broadcast reports, managers working for chain operations are sometimes under pressure to “sell” additional services to the customer, who has usually only come in for an oil change.

In one such broadcast, although the cost of the oil change itself was only reported to be \$20–\$30, the outlet manager was expected to have an *average* invoice per customer of \$65–\$70. This rather unethical approach to offering service to the public reduces the oil change, itself, merely to something that “gets the customer in the door.” The unwitting customer is then “sold” additional services that drive the cost of the visit up quite considerably. As this problem becomes better known within the circles of potential customers, a quick lube employee will have a difficult time “advising” a customer on anything—including the value of re-refined motor oil.

The Grease Monkey management’s approach to the “shady dealing” situation is to “take the high road,” reassuring the customer that they concentrate on oil changes, alone. This is designed to relieve the customer of feeling pressured to allow—and pay for—additional services to be performed.

This strategy presumably encourages customers to come in for that one service, which they *know* that they need (*all* the customer-respondents in our study, when prompted, said they were aware that oil changes should be performed every 3,000 miles). This frees them from feeling pressure to

take additional services. Perhaps this is also why the company frowns upon any sort of “recommendations” on the part of their order takers.

We wondered why Grease Monkey International was interested at all in allowing us to do our advertising testing at their outlets. The answer was simply that they are interested in re-refined oil and wanted to support finding out how to market it. And for that, this researcher and her team are quite grateful!

## ***Our Market of California Motorists—Stressed-Out in Paradise***

We discuss getting to know the California motorist in more depth in the “Results” section of the focus groups. The 18-to-30 year-old California motorists, as revealed by this research, are environmentally aware sophisticated consumers. They may not care deeply about oil changes, but they are certainly committed to their cars. These motorists have been contacted too many times by someone who wants to change their behavior in the name of a better environment.

But they still would select the “environmentalist” product as long as it doesn’t take any extra *time* to use, doesn’t cost any more *money*, and *most* importantly, doesn’t take any extra *effort*. These last observations could possibly yield a strategy.

### **The Rationale for Selecting This Target Market**

We decided to target the promotional communications aspect of this effort (advertising, etc.) to the *segment* (part of the market) of California motorists between the ages of 18 and 30. This decision was made principally because, as is stated repeatedly in marketing literature and certainly on Madison Avenue, younger consumers are not as “set in their ways” as are older consumers. Therefore, they are more willing to try new products.

This is why television networks sometimes consider those of age 50+ as “undesirable viewers.” Anyone over 30 must have realized this while switching channels between *The OC*, *Melrose Place*, *Lost*, and *Desperate Housewives*. Young and beautiful or hunky is “in,” and older and “seasoned” is not. Andy Rooney’s slot on *60 Minutes* is one of the few shows featuring an older cast member. And the only reason that show is now a bedrock of the CBS lineup is that CBS is the *only* major network concerned as much about numbers of people watching as they are about demographics (the viewers’ age, income, education). The 7–8 p.m. time slot, even on desirable Sunday night, is undesirably early enough that they were willing to “take a chance” on a show clearly intended for viewers who are older.

“Old,” here, means “set in their ways” but, as those at *60 Minutes* and *Modern Maturity* have learned, it also means “moneyed.” However, to advertisers, “able to be influenced” is more important than “poor.” Many of the 18-to-30-year-olds are still in school, or just starting out, and are able to be influenced. But the age of the consumer is not as important in motor oil, except in that it might influence how willing they might be to try a new brand or type of motor oil. That was the desirable factor here and the reason we selected this target market.

An added advantage of selecting this group was that the researcher was located on a college campus. We assumed, during the planning phase of the research, that advertising through school papers (generally an inexpensive form of advertising) would be an option. School events sponsorship might also have been another low-cost promotional option. An advantage of this sort of “promo” was that it would be targeted to members of the campus community, thus assuring that the readers would be driving in the immediate vicinity of the university.

## Other Considerations of Target Market Selection

Once we located a quick lube in that immediate area, we could try this type of advertising. In the course of the research, however, *no* quick lube was available for market testing near *any* university campus attempted. Initially, Grease Monkey agreed to provide all the venues for promotion. Limitations they later imposed on the project and their locations ended up making this campus-centered approach impossible.

The other research methods certainly did contribute, especially the information gleaned from the quick lube managers about the behavior of their customers, in researching the attitude of the market. However, the focus groups were the main avenue for this researcher to assess the re-refined oil attitudes of the market in the chosen age group. We also applied what was learned to possible ways the market might be swayed to try re-refined oil, essentially for them a “*new product*,” when viewed in marketing terms.

## Focus Group Research

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Focus groups have advantages that were ideally suited to the needs of this research. Of paramount importance is that they allow the researcher the time and rapport with the research subjects to explore the subject, and their respondents’ attitudes toward it, in depth. Focus groups are typically made up of a small number of individuals who are representative of the members of the target group and can take up to two hours.

Four focus groups were held to explore the attitudes of the 18-to-30-year-old California motorist about such subjects as:

- Car maintenance, in general.
- Oil changes, in specific, as they relate to car maintenance.
- The process of getting oil changes, and where they are available.
- The purpose of oil changes and their value to the vehicle involved.
- Motor oil and brands and types of motor oil.
- Re-refined oil, oil refining, and renewal of motor oil for passenger car usage.
- Personal efforts at responsible behavior, and their effects on the environment.

The focus groups were held on the campus where the research was otherwise being conducted, California State University, Dominguez Hills, in Carson, California, a suburb of Los Angeles. We made announcements in classes asking for participant motorists, and we approached other students in the student union of the campus.

We attempted to garner additional participants representing that part of the population between 18–30 who are not at the university by canvassing for participants at a nearby shopping mall and civic center. We used the so-called “mall intercept” method of buttonholing individuals seeming to be within the age parameters, verifying their age and whether they had a car, and then appealing for participation.



## **Conducting the Focus Groups**

The focus groups were conducted on campus at California State University, Dominguez Hills. Participants were given a sheet with various descriptions of attitudes about performing activities for the purpose of helping the environment, and they were asked to consider such attitudes in the information given.

We took measures to reduce bias by advising focus group members to speak freely, stating that those conducting the research were working for the university and not for the State agency. We did this in the hopes of limiting a common reaction among focus group respondents; in this case, that of their showing more environmental consciousness than they did, in fact, feel. Such responses are often made in an effort to “please” the researcher, or “tell her what she wanted to hear.”

We distributed two forms to get the participants thinking along the lines of the subjects to be discussed. We then directed a discussion grouped around various areas of car maintenance and motor oil. The precise protocol sheets for the sessions are reproduced in Appendix A.

## **Focus Group Target Market Results**

California drivers are of a distinctive type, as we learned from the results of the focus group sessions.

These descriptors are not meant to represent mutually exclusive groups; for example, those who are sophisticated about their car’s care may also be those who are most environmentally aware. Often, advertising treatments (the different approaches) included appeals dealing with all the characteristics revealed but *laid most emphasis* on another of the aspects identified.

California drivers, as studied in our groups, can be described as the following:

1. Environmentally aware. Focus group findings identifying the beliefs held by the environmentally aware reveal that these drivers take the beauty of their state almost as a given, and do feel pride in it. They are conscious of despoilment and abuse of that beauty, and feel that everyone should “help out” and do something about it. For this reason, one approach presented to the participants was to order re-refined oil at their oil change. They could perform this perceived environmental “duty” while attending to a task (have their oil changed) they had planned on performing.

It is well accepted in graphic advertising theory and practice that a great photo or image often assures that the results will be a great ad. This suggested the use of beautiful photos of the environment. We decided to use landscape photos that were somewhat generalized, such as *a* beach rather than *one specific* beach. We believed the mental work of identifying a specific location would divert the viewer’s attention from the ad’s message.

Since using re-refined oil protects the state’s water resources, photos of beautiful beaches were the obvious choice. However, not all Californians identify with, or live near, the state’s beaches. Therefore, a visual of another of California’s scenic environmental resources, our forests, is deliberately used in one advertising approach. Water, not specifically associated with a beach, is featured in another.

2. Sophisticated consumers. Focus group findings here revealed that most respondents did seem to know something about car care. All respondents were aware of the importance of changing one’s oil, to the health of the engine. Many, but not all, of the male respondents were quite opinionated about what contributed to taking good care of a car.

This contributed to the use, in some of the ads, of enough copy (verbiage) that the point of the advertisements could be well supported with information (so-called “long copy”). All posters were intended to be viewed from rather close up, hopefully while the customer was waiting to order an oil change. This allowed for the time to read more than just a few words. In other versions of the ads, just a few words of copy were used, in an effort to see if this “short copy” approach was more effective. Since billboards are generally limited to up to seven words, and GM objected to their use, they were not used.

3. Not caring deeply about oil changes. Focus group findings revealed that changing one’s car oil was perceived among our respondents as a not-very-interesting chore, coming directly out of their valuable free time, something to be gotten out of the way, or taken care of, for the driver. This group took for granted the convenience, dependability, and quality of the work. They felt that the task is not very difficult. More than one said they could easily accomplish it themselves but chose not to, or were unable to. They chose not to change their own oil because of the mess, time, equipment, and space necessarily involved in doing so. For this reason, in one advertising approach, participants are reminded that they can perform an environmental “duty” (which respondents realize is important) simply by specifying re-refined oil for the oil change they have to take care of, anyway.
4. Committed to their cars. Focus group findings here indicate that the necessity of a car, at least for these group members who live in the Los Angeles area, is taken as a given. Any form of car maintenance that would compromise their car’s dependability is not seen as acceptable.

This suggested the use of *expert opinion* in the advertisements, such as quoting the Society of Automotive Engineers as verifying that there is no difference between re-refined oil and virgin oil. The “Can you tell the difference? Neither can your car” campaign approach, where the reader is challenged to discern the difference between photos of two beakers of base oil—one re-refined and one virgin oil—is meant to reassure the driver having such concerns.

5. Suffer from environmental advertising “fatigue.” Results here indicate that respondents felt they have been approached too much about changing their behavior to ensure a better environment. They recognized the importance, but environmental appeals have lost much of their power for this audience because of overuse. “Advertising wear-out” usually refers to boredom and annoyance in response to a specific advertisement, especially on television or radio, which has had too many exposures to the audience member. In general, although this group knows that the environment is an important issue, they are tired of environmental appeals.

Our respondents also warned us against negative advertising in this area: showing too much despoilment was just viewed as “ugly,” making the ad unattractive to look at. Playing the “guilt card” by attempting to induce the customer to act out of guilt was also badly received, making the ad unpleasant to read.

## ***Findings About Barriers to Product Use***

The findings identified three barriers that addressed the question of what would make the group willing to accept an environmentalist product. Those in the groups said they would be willing to do something new, for the sake of the environment, as long as it:

- Doesn’t take any extra *effort* (most important).
- Doesn’t take any extra *time* to use.
- Doesn’t cost any more *money*.

In order to overcome the barriers—or *objections* in marketing parlance—identified by the focus group, we developed promotional strategies that avoided these three objections: 1) additional time, (2) additional cost, and (3) additional effort.

These three considerations were given the highest priority in developing the specific advertising approaches or campaigns. The various campaigns, and the advertising art which they lead to, are found in Appendix C.

## **General Study Results About Car Care**

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The results of the research, especially of the focus groups, may be summarized as follows:

### ***Car Maintenance in General***

Car maintenance in general is perceived by focus group members as a necessary annoyance that, unfortunately, comes directly out of the motorists' free time. This is one of the leading commodities that are perceived as being in too-short supply by all of the respondents (agreeing with contemporary marketing thought in an environment characterized by "time poverty," free time is said to be that which is most valued and in shortest supply).

The "For a Beautiful Environment, It Just Takes a Second" campaign was designed to appeal to this concern on the part of the market. Any combining of the oil change service with other services also needed (car wash, etc.), makes getting the service more palatable to the customer. This very combination strategy is already offered by many quick lube outlets.

The research also revealed that some respondents reported that it would make them feel good to take one specific action, which they see as definitely helping the environment. One approach, expressed here in the "One Good Thing" campaign, is to draw motorists' attention to the fact that, by specifying re-refined oil, they could accomplish a solid environmental "task" or "responsibility" at the same time as they accomplish the car maintenance task of changing their car's oil. Appealing to the motorists' concern for the best use of their time, one act is seen as accomplishing two tasks, changing the oil and doing something good for the environment.

### ***Oil Changes, as They Relate to Car Maintenance***

Oil changes are seen as vital and a regular obligation that the owner of the car has to the car's performance. Even those respondents willing to admit ignorance about car care understand the importance of oil changes and would expect any car owner to perform them at the correct frequency (in other words, "often enough").

### ***Getting Oil Changes, and Where They Are Available***

Quick lubes are well known and accepted by those in the focus groups for being the easiest and quickest source for an oil change.

A small caveat has recently arisen in the perception of the average user. This has been communicated by the news media (often local news), in response to user complaints. Some unscrupulous quick lube services are reputed to be using the oil change more as a way to get customers "in the door," in order to tell them about other, often expensive, services that "must" be performed on the car for maintenance to be adequate. Depending on the ethics of the retailer and the retail chain, these services may or may not truly be necessary.

These add-on services often add up to much more money than the oil change itself. One Southern California chain was reputed to be pressuring their individual retail outlet managers to have the

average service ticket be in the neighborhood of \$65–\$70, more than twice what an oil change costs. Considering that some customers will insist on just taking the service they came in for, other motorists are paying a great deal more than they planned, before getting out of the service center. The principal researcher recently had this experience while having an oil change.

Mistrust on the part of the public has reached the point where some brands of quick lube service are attempting to differentiate themselves from competition by saying they “specialize” in the generalized service of the oil change itself and specifically do not endeavor to “sell” other services while they have the customer’s car up on the lift. These quick lubes have been successful in their attempts to profit from the uncertainty that the public has about these less scrupulous suppliers.

## ***Motor Oil, and Brands and Types of Motor Oil***

The population polled was mostly younger, but some did admit to having acquired specific brand preferences.

### **An Example of Market Acceptance of a New Motor Oil**

Retail outlet managers in the Automotive Oil Change Association who were in Northern California reported that one distributor who formerly was employed by a major oil company was talked out of retiring—and into going into business for himself—by retailers who were eager to continue to deal with him. They suggested that he could make a nice profit by custom blending his own motor oil for the specific climatic conditions of that area and selling it to his group of retailers. He could then retain that business for himself, taking it away from his former employer.

Those retailers evidently had great success with this product, since very few customers defected to another service retailer in search of their “old” brand of motor oil. Although more study should be done on other such cases, it is tempting to conclude from this case that the continued ability to patronize a favorite quick lube is more important to the customer than brand or type of motor oil. Either that, or the clever marketing of such a new, geographically customized motor oil would assure its acceptance by the market.

This would bode well for an introduction of re-refined oil, if it were handled correctly and released through quick lubes. Such an introduction could be combined with a slight varying of the re-refined oil’s components, thus “customizing” it for the climatic conditions present at a specific retail outlet (dusty, desert, air pollution, cold, mountainous, foggy, etc.). This could then be combined with the introduction of re-refined oil, to assure its acceptance by the market.

Retailers report that some motorists are willing to spend an outlandish premium for motor oil they perceive is custom made for their type of engine (such as motor oil made for older engines). This would suggest that motor oils blended for the car’s operating conditions (here, climate) would likewise be accepted. One strategy sometimes used in marketing would simply be adding only a claim of such customization when, in fact, no such customization of the product has taken place.

### **The Study’s Most Powerful Finding**

Perhaps the most powerful finding of this research is that customers need not be informed that the oil being put in the crank case is “re-refined.” A customer is not told that “Arabic” oil or “Texan” oil will be used. Since its composition meets Society of Automotive Engineers standards identical to other motor oils, the retailer is not obligated to inform the user that re-refined oil was used in his service job.

This is extremely fortunate for the CIWMB and other such agencies seeking to promote re-refined oil’s use. The market has a number of problems with re-refined oil, as identified in this

research. Working against the acceptance of re-refined oil, if it is labeled as such and presented to the market, is the correct understanding on the part of the public that the purpose of the oil change is to keep the engine running properly. This understanding is so complete, that it is accepted as self evident and common knowledge. This implies an even higher level of demand of the “purity” of the oil, since there is the assumption that this cleaning comes from the purity of the cleaning agent, the motor oil.

This very high demand for the purity of the oil used in the oil change is of special concern here, since that expectation of purity, in order to accomplish that cleaning function at all, leads to a very high emphasis on the “quality control” of the oil being used on the part of the public.

### **Major Issues in Increasing Re-Refined Oil’s Use**

Research findings identified a major issue related to increasing the use of re-refined oil. The issue casts serious doubts on whether it would be feasible to change the public’s attitudes about the re-refined variety of motor oil. This is a major issue for re-refined oil because of the following attitudes seen in the focus groups. Unfortunately for those seeking to change these attitudes, the prospect of change is extremely difficult because the attitude is strongly held. A great deal of advertising over an extended period of time would be necessary to even slightly change the attitudes.

1. Some percentage of the market has the incorrect impression that oil cannot be cleaned at all to the standard of purity that would support its use in changing the oil of a car engine. The idea that something used can ever be brought up to the level of purity of that same substance, when new, is somewhat counter-intuitive. Especially with something most members of the market have seen in its repellant, used, dirty form, many in the market find cleaning used motor oil to such a standard of purity very difficult to believe. In the words of one respondent, “Would you drink sewer water that’d been cleaned?!” The high temperatures of the internal combustion engine are especially seen as producing by-products that resist cleaning and purifying.
2. Even if cleaned at all, some feel that re-refined oil may introduce harmful agents not already there into the engine. A couple of participants in the focus groups voiced concerns that additives burned in the very high temperatures present in a car’s engine could produce quite toxic substances. They believe some re-refined substances may not only damage the car’s engine but also trap more impurities within the engine.
3. Even if it is cleaned sufficiently to actually do its job and clean the engine, some feel that the use of re-refined oil voids the warranty of that engine. Some in the market seem to feel that the condition of the warranty is almost as important to the car’s owner as the condition of the engine itself. Once the warranty is voided, these people feel that long-term use of the oil, or accumulated other damage, will end up costing the car owner a great deal of money in repairs and even require replacement of the engine. This is why such strategies as the use of coupons or price reductions on the cost of an oil change will probably not be accepted by the market. Such respondents see the saving of a few dollars, versus risking the value of the entire engine, as a very foolish strategy.
4. A related concern to number 3 above is that accumulated problems from the use of the oil over time might cause larger problems, which could damage the engine in the future to a greater extent than use of other oils. The special concern here is that by the time this happens, the engine will be “off warranty,” and its repair the exclusive responsibility of the car owner. This last concern suggests the central problem in endeavoring to convince the market to use re-refined oil—that they are risking their personal property for benefits that will accrue to all.

In other words, the whole state benefits from the use of re-refined oil, but any “down side” to the product’s use falls only on the individual consumer.

### **Generalized Versus Individual Gains**

This is similar (actually the other side of the coin) to the economists’ maxim of the “Tragedy of the Commons”—that it is to the advantage of the individual farmer to allow his own herd to overgraze on common lands, since the damage is borne by all. But the benefit of allowing his own sheep to fatten themselves on common lands accrues only to him individually.

The “tragedy” in this classic economists’ example would be if *all* farmers allowed such irresponsible use of common grazing land, leading to its destruction. No public land would remain on which *anyone’s* herd could feed. This is similar to the individual driver’s irresponsibly continuing to create more and more used oil, thinking only of saving *his own* engine. All the *other* drivers would bear the “risk” of using re-refined oil—leading to the generalized negative outcome to the environment.

Another area of note in the research is the way some of the men taking part in the groups behaved. Some seemed to feel almost a pressure to be knowledgeable on the subject of cars and the particulars of car maintenance. Some of the “edicts” issued by the male members of the groups seemed to have an almost forced quality. They seemed to expect definitive answers of themselves on such car care issues, even if they did not have that expertise. Some made comments such as “Used oil CANNOT be cleaned up enough to use in a car’s crank case.”

And yet, when such respondents were asked to explain why this was so, they did not have a specific answer. On the other hand, many feel that motor oil breaks down in such a way that it really is possible to use it only once.

## **Development of Marketing Strategies**

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### ***The Research Inputs***

The five remaining strategies are a result of an amalgam of four inputs:

- The themes and findings uncovered in the focus groups.
- Information unearthed in a reading of the pertinent industry literature.
- The comments of various experts in the field (quick lube owners and managers, industry observers and players, involved government officials, etc.). Often these were in response to questions formulated after consulting the other three categories here.

It is worth mentioning here that due to the great amount of power that the large oil companies wield in this industry, many sources quoted *spoke on condition of anonymity*. They were apparently afraid that identifying their name with comments critical of the oil companies could negatively affect them and their careers. Enough of the respondents—especially those in management positions of individual quick lube outlets—held to this belief that a listing of informants became impractical, indeed impossible.

- An application of methods and techniques brought by the researcher in such areas as consumer behavior, pricing, persuasion, market research, general marketing, new product trial and acceptance, and related areas.

The above formed the initial marketing strategy. The considerations and limitations introduced by representatives of the CIWMB further tempered this strategy.

The strategy was then affected, in important and limiting ways, by the location of the marketing testing. This was not due to any design or deliberate action by those at Grease Monkey. The structure of the motor oil and oil change industry had a greater influence on the strategy.

The constraints resulting from existing franchise business plans and threat of harming business reputation placed limitations on us as to where the ads were to be tested. In any industrial situation involving relations between suppliers and distributors, the relative *power* of the various players does play a role in how the industry is set up. The supplier oil companies had the power in the quick lube industry. The large oil companies had developed a situation in which they had great influence over the individual manager to induce him to use their brand of motor oil. This was true of both managers in chain quick lubes and those who owned independent businesses.

In chain companies, the quick lube was often owned by the oil company chain owners. In such a case, there could be no question that the motor oil dispensed would be that of the company owning the chain. The situation among independent quick lube owners was a little more complicated, but it still resulted in big oil's having a hold on what oil was dispensed.

An individual aspiring to own his own independent quick lube outlet faces some very heavy capital investments. These investments are at least a quarter of a million dollars, often quite a bit more. This figure does not include the cost of the *bulk dispensing oil tanks*.

Bulk storage and dispensing of motor oil is all-important in the quick delivery of the service product—and speed is a key consideration in this service. The ability to pull a hose down from above and, with one squeeze of the hand, quickly dispense the four-to-five quarts of motor oil needed to refill the crank case after it has been drained is necessary to accomplish the oil change service quickly.

The alternative involves the technician leaving to obtain the right motor oil from the storage area, opening each plastic bottle individually, and waiting while each successive container is emptied into the crank case. This results in a number of problems, especially delay, but also litter and messiness of the work area. It creates a heightened chance of the technician's slipping on the oil while servicing the car or in transit obtaining the oil, or disposing of the plastic bottles.

Therefore, bulk storage and dispensing of the motor oil is necessary to the quick lube business. However, the bulk tanks are not included in the initial investment of the independent oil change owner. Thus, he could easily find himself in a position of seeking financing for these important capital equipment assets. Should that be the case, the oil companies are happy to help with financing—with the stated or unstated expectation that those tanks will only be filled with *their* brand of oil.

In addition, as in any distribution, there is usually an imbalance of power between the various players, in this case to the advantage of the big oil companies. The speedy delivery of the needed bulk oil to be dispensed is all-important for the individual quick lube. Any reliance on individual bottles would have the problems already outlined. In the course of this research, some retailers said that they did not want to participate, since they feared the reaction of their suppliers to their participation.

We held extensive discussions concerning the campaign with Grease Monkey. We assumed that the pull of participating—what we had to offer in return for their cooperation—was that the CIWMB, and we as its representatives, would be supplying free promotional efforts to the participating outlets. This offer, enabling them to expand their customer base at no expense to

themselves, is usually quite attractive to a retailer—indeed, to any business. However, in the case of a quick lube, this draw is counterbalanced by an even more powerful disincentive—potential problems with their supplier, should their oil supplier become aware of their participation.

Before the advertisements were to be used, Grease Monkey told us that they did not want any form of advertising, other than the poster format, in their outlets. This effectively limited the response to those customers *who were already coming in* to GM and eliminated any increased business GM might have garnered from various advertising formats.

Grease Monkey explained that they wanted to help us. Their managers didn't care so much about the increased business, but they were interested in re-refined oil and how it might fare in the marketplace. They were willing to give up the chance at additional business in order not to have their promotional efforts noticed and criticized by the representatives of the oil industry.

One quick lube owner manager we contacted declined to take part in the marketing tests of the advertisements for fear of its being discovered by his suppliers. This would have included the direct mail advertisements we could target to the very neighborhoods near his outlet.

Therefore, although we have elaborated all of the campaigns in all formats found to fit our campaign and budget (direct mail, billboard, coupon, and poster) we could only use the poster format to advertise at the Grease Monkey outlets. Other forms of promotion we considered are below.

We considered education/promotion in the form of having the order taker explain the advantages of re-refined oil. GM representatives explained that it was against company policy to express any preference for one type of oil over another, beyond that which is dictated by the engine's requirements. Taking time to educate each customer about the value of re-refined oil to the environment was out of the purview of the individual order taker and often beyond their linguistic abilities. Employee turnover would probably not have allowed the proper training of all order takers in this, either.

We probably would have run into such limitations at any quick lube outlet. We stayed with Grease Monkey for a number of reasons. First, we checked back during the following summer with other quick lubes who had shown interest in letting us do the testing at their outlet. The managers who had been interested earlier were either out of town, away on vacation, had left the organization, or had changed their minds.

Second, comparing the response rates on the various campaigns would be clearer if all campaigns were compared using the same format of the ad (in this case, posters), and also if they were all tested in the same brand of quick lube. Grease Monkey was the only quick lube chain that had allowed us to test the posters at their retail outlets.

Third, GM offered all of the outlets in the Riverside area for the research. They were all similar, which would also minimize the effects that each individual quick lube's client profile might have on the results. This would not work if an outlet in Beverly Hills were compared with one in Anaheim, or Pacoima.

By GM's preference, the company's representative placed the posters in the GM outlets, and we waited for a response. Inspection of the physical locations where the ads were placed revealed that the posters sometimes had been put in waiting rooms where those who had already requested their oil change were waiting for the service to be performed. Other posters were placed where they could be seen prior to ordering, but the traffic pattern in the shop was such that the average customer would not have the opportunity to see the ad before ordering the oil change.



This problem was brought to the attention of those at GM. They conceded that, in some cases, the posters were truly not really visible before the service was ordered. The design of the outlets meant that they did not really have many places to put the ads. In response to our concerns, they suggested that the customer would still have the opportunity to order a re-refined oil change the *next* time he came in (usually three months later), since he had seen the poster ad in the waiting room now. Given the lengthy time interval between the exposure to the ad message and the next oil change, the likelihood of any consumer behavior change would be quite low.

After a couple of months of almost flat response, we suggested reinforcing the promotional effort by adding a direct mail appeal. We proposed carefully targeting and getting a direct mail advertisement to only a small number of homes, possibly including a coupon, in an effort to “jump start” the disappointing response to the posters. GM management’s concerns kept us from receiving permission to do this.

We then suggested that some further promotional effort visible to the customer be done before the customer put in an order. For example, rack cards on the counter where the orders are placed explained the various services GM offers. We were told we could make a rack card about re-refined oil. We carefully matched the format, size, style, etc. of their cards in the racks and placed the cards. However, GM told us later that since the order writer could not be construed as making a recommendation of what oil to use, he could not even *indicate* these cards to a person ordering an oil change.

## Alternative Approaches

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In the early stages of this project, we explored a number of promotional ideas. Often for reasons of practical applicability, we discarded them. However for the purposes of the CIWMB’s having future access to these creative resources, we list them briefly here:

### ***Uniting With Other State Agencies to Offer Incentives to Participate***

Suggestions included those participating in this test by promising to use only “re-refined oil” oil changes be “rewarded” by receiving reduced or free entry to California State parks. In another case, participants might receive a certain dollar amount reduction on their vehicle registration renewal fees from the Department of Motor Vehicles. In general the CIWMB discouraged this approach, since the complexities of cooperation with other State agencies was presented as being prohibitive.

The first suggestion would require decals that would afford the driver access to the State Park at the more advantageous entrance price rate. Assurance of follow-through on the promise by the participant to use only re-refined oil in future oil changes was less than certain, as was the cooperation of those administering the parks system.

The second approach, in its most simplified form, would have required instituting a voucher system. The driver could collect one voucher for each re-refined oil change he had and then receive a reduction on his registration fee for each voucher. We were exploring this approach at the end of the tenure of former Governor Gray Davis, when the increase in annual State vehicle registration fees was quite prominent in the news.

In addition to the inter-agency cooperation problems mentioned with the State Parks option (some characterized it as a “nightmare”), administering the vouchers at the retail outlet would potentially be a great problem. Someone would have to assure the vouchers would go only to those who actually had the re-refined oil changes. The quick lube outlet would have to account

for possible provision for loss of the voucher by the customer having ordered the re-refined oil change. The quick lube would have to figure the amount of reduction rewarded for each oil change (perhaps a percentage of the registration fee, or a flat amount to all drivers, regardless of their registration fees).

## **Campus Promotional Efforts**

The final form of this promotional effort did not allow for campus promotional efforts. We explored various approaches that would pitch the re-refined oil change directly at this age group while they were on campus. We discussed sponsoring sports teams or events, car rallies, vehicle maintenance programs, campus environmental events, and discounts for students. The final form of this promotion, at the Grease Monkey outlets of their organization's choosing in Riverside County, made this promotional idea impractical.

Younger people are known to be more attractive targets for new products because of their willingness to try new things and less established purchasing preferences. In the course of this research, some results suggested that other demographic groups might be more likely to participate in such programs. This is difficult to say, since the locations of our test quick lube outlets precluded campus activities. Student groups might still be an attractive target group, if campus promotions could be used.

In later phases of this research, some indications were that *older* customers, or those specifically chosen for their *interest in environmental concerns*, might be more likely candidates for future attempts along these lines. For reasons outside the scope of this study, students may be so involved with educational concerns, often in addition to work or family obligations, or both, that they feel themselves very pressured.

Additional responsibilities might be viewed as more burdensome than they could be to other groups. The reason may be that those in the younger age group of adults have had less life experience at juggling these competing demands. Or, possibly, feelings of responsibility and stewardship of the environment may be concepts that come with maturity. Certainly, older Californians have had more opportunity than younger ones to see the mostly negative changes in our State's environment over time, such as greater population pressure.

We did pitch the various campaigns in the focus groups. The location of the tests precluded any more specific targeting of younger age groups (the test quick lube locations were not close to a college campus) in our promotional efforts. Again, efforts during the research were made to involve younger drivers who were not students: respondents were signed up at a nearby mall and also at a local governmental center. However, respondents were difficult to obtain from among those canvassed at these locations. Those who did sign up (with only one exception) did not attend the focus groups, even after agreeing to attend. So students and their few non-student acquaintances were the only ones polled in these focus groups.

Should future research efforts be made along these lines, perhaps arrangements with employers might prove a more fruitful way to encourage participation of such respondents. Our experience was that a young office worker—even one interested enough to sign up to be part of a focus group in a mall or community center canvassing attempt—would not end up coming to the focus group.

Perhaps the location of the focus group session on campus was a disincentive, despite repeated assurances that parking would be taken care of and maps supplied to the location. Perhaps a psychological barrier exists for those not from the campus environment who might try to find a specific location there. Locating the focus groups at a non-campus venue might prove more

successful, although it would increase the cost of the research by the amount of the facilities rental fee.

## Final Version of Marketing Strategies

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The research suggested general approaches to persuading a change in behavior of consumer decision-making in the choice of type of oil change. This would be specified as “with re-refined oil,” or not—meaning the car service would be performed with “virgin” oil.

Each of the five remaining promotional campaign strategies were elaborated in four forms: direct mail, billboard, coupon, and poster.

I am including all these formats, including the one discarded for administrative reasons. CIWMB may be able to use this very persuasive approach in the future. This material is listed in Appendix C.

## Overcoming Other Barriers to the Use of Re-Refined Oil in Quick Lubes

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The large numbers of asides and hints shared over the many months of research were as important as any of the specific questions asked in the many conversations and interviews. This is often the case with this type of research, especially one involving the relationships between various parts of a *distribution channel* and the various amounts of *power* that each of the players have here. Many times after following what seemed at first blush to be an idle comment, the real situation became clear.

The situation of the quick lube owner who has one or more outlets may well put him at the mercy of his suppliers. The ready delivery of the bulk dispensed and delivered motor oil is, to all quick lube outlets, a vital part of the quick delivery of their service product. The opening and pouring of individual cans of oil is laborious, messy, and above all, time-consuming. This destroys the speed that is the number one reason customers patronize these establishments.

Those managers who are part of a chain may have no say at all in what kind of oil their outlet supplies. If the mother company chooses not to go in that direction, the retailer can only offer re-refined oil dispensed from individual cans, if at all. *All* managers have the problem of being limited to a small number of different types of oil that can be bulk dispensed. This problem is similar to that of a tavern that is not able to have every beer made available on tap.

Assume a case could be made that re-refined oil would somehow attain a level of demand that would merit dedicating one of the bulk dispensing units in the outlet to stocking that type of motor oil. *Which weight* of re-refined oil would be chosen for that one, environmentally-oriented (“*green*”?) pump? The most commonly dispensed motor oil is 10-30 weight. Re-refined oil, like all other motor oils, should be available in a variety of weights, corresponding to consumer demand. This further complicates delivery of the product at the very point where the retailer has a definite constraint—the number of kinds of oil he may dispense via the speedy bulk-dispensing method.

## ***Recruiting Quick Lube Retail Outlets to Allow Testing These Ads***

We contacted owners and managers of retail quick lube outlets and other managers to survey. During delivery of the questionnaire section of the market research, we asked if they would like to participate in the ads testing of the research.

We made special efforts to recruit quick lubes in two urban areas close to college campuses: the City of Carson, close to California State University, Dominguez Hills (the campus where this research took place), and Long Beach, close to California State University, Long Beach, where the principal researcher lives. Unfortunately, managers in these two areas did not feel that they were free to participate by their organizations, or they were otherwise unwilling.

However, we did identify a chain of quick lubes, Grease Monkey, that fit our search parameters for a place to insert and test the advertising. They not only volunteered their services, but they were the *only* ones who would allow us to test all six modes, the five approaches, and a “control” approach (no promotion, simple availability of re-refined oil change at that location) at the *same* brand chain of retail service outlets. For ease in seeing the effects of the various advertisement approaches, this is the ideal situation, since the effects of brand of retail outlet would not obscure the effects of the different ads.

We discussed the advertising campaign, and especially the use of the various ad approaches, with GM managers. They were very cooperative and approachable, supplying information and making suggestions about the subject.

However, after many weeks of discussing this project, their representative informed us just as we were about to institute the promotional campaign that the only advertising they would allow to be used in association with this test would be the *poster* format. This forced the study to be based on customers who *had already come to Grease Monkey* to have their oil change; we were accessing no customers *who came into Grease Monkey in order to get the re-refined oil change*.

It was a disappointment not to be able to use the billboards we designed to reflect each of the approaches identified, or the direct mail promotional pieces, or the coupons developed. Television and radio had both proven too expensive, and these means also hit too large an audience outside our target area—so-called “waste coverage.” However, since the main goal of this research project, after developing advertising that resulted from the market research we conducted, was to compare and find the most effective ad approach, there *was* an advantage to this limitation.

The advantage was that the limitation would throw into even bolder relief the differences in response to the five approaches. This was because the results would not be ‘muddled’ by the fact that one ad approach otherwise would have been presented, for example, *in billboard format*. It might have been successful perhaps *only* because it was a billboard. Another might have been presented *in coupons*—and THAT in fact was what made it successful, not the ad’s approach. Here, all approaches were limited to the one poster format, so the only differences between them would be the advertising approach.

We had been engaged in negotiations with Grease Monkey for some time. In that interval, the other individual quick lubes that had also shown an interest in participating were otherwise occupied or had lost interest in participating. This added to the impetus to concur with GM’s limitations and do the study there.

So we prepared the five types of posters and brought them to Tom Campbell, GM’s representative who had been working with me. GM manager Mike Euglow had supplied Mr.

Campbell's name, since Mr. Euglow was planning on being away and could not be the contact person.

### ***The Five Approaches—and One Additional***

In general terms, the research we did, especially at the focus groups, revealed that the drivers polled did profess to being interested in the health of the ecosystem. They also reaffirmed that they “love” California and its environment, and they generally supported such activities as we were promoting, in the name of environmental concerns. However, they were not willing to pay an additional cost.

The focus group also revealed that most California drivers do, on the other hand, want to find some sort of peace, or peace of mind, regarding the competing announcements about “saving the environment.” They want to feel that they at least are doing one good thing for the environment.

We had intended to work together with a re-refined oil source guaranteeing the quick lube a dependable supply of re-refined oil. But this did not occur since the Grease Monkey group had already located such a supplier (America's Choice). Indeed, they had already bought so much of the canned re-refined oil from this supplier that they did not need to buy any more for the duration of the test. Sources of re-refined oil are identified in Appendix B, which includes a list of suppliers for California.

The five advertising approaches developed in this research, introduced under their working titles, are in Appendix C.

## **Recommendations**

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Persuading motorists to want to try re-refined oil is such an uphill battle that CIWMB would do better to find another strategy to accomplish this end.

### ***The Image Problem at the Heart of This Issue***

#### **They Don't Want It**

This researcher has spent nearly two years looking at promoting re-refined oil for use in passenger automobiles and discussing this problem with others. Some considerations have come sharply into focus. In combining the information gathered with the art and science of marketing, and especially of its sub-field of consumer behavior, we must take a number of key items into account when considering if and how to encourage re-refined oil's use by California motorists.

First and foremost, those targeted in the market *do not like* the idea of using this product in their car's crankcase. To ignore this simple fact would be folly for those hoping to promote its use. The standard *marketing* definition of the elusive concept of “quality” is that the product “does a good job” of whatever it is intended to do or be.

A “high-quality” ink pen writes smoothly, does not run out quickly, lays down a clearly visible impression, is easy and comfortable to use, and looks stylish. A high-quality pen does well these things that a pen should do. Most members of the market do not *believe* that *any* motor oil, once dirty, *can* be sufficiently cleaned to the state required for the oil *to do a good job* of cleaning their engine. In that respect, *they do not feel that re-refined motor oil is of such a quality that they would want to use it.*

To many, the concept that *anything* used can *ever* be as clean as that same material in its virgin state *does not make sense*. To others, even if motor oil could be cleaned, they are not willing to

“risk” using re-refined oil on their car’s engine. They do not want any sort of problems in what to them is unproven and new material. To many, the use of an already-used motor oil may *introduce still more problems* into an engine. This would not only cancel the value of an oil change, but it could even *add new damage* to the engine. To most, that which might be gained by everyone, environmentally, from the use of re-refined oil, is seen as cold comfort to those who might be saddled with the *personal disaster* of a damaged engine.

### **The Depth of the Problem**

When strongly held feelings seem in keeping with conclusions people have reached in *seemingly* similar situations, the feeling is said in marketing, to “*resonate*” for the person. One respondent commented: “You wouldn’t drink sewer water that had been recycled, would you?” For him, a car is as sensitive as a human body, and motor oil recycling is seen as analogous to the cleaning of wastewater for later human consumption. Whether this is true or not, *he thinks it is true that this cannot be done*.

To him, the situation *seems* similar. Such feelings are extremely difficult to change, and they can only be changed with many exposures to very persuasive and well-documented promotional material over a long period of time. This would be a *very* expensive type of campaign, even assuming sufficient customer interest to put in the effort necessary for these feelings to be changed.

The author makes this recommendation so that the reader will **not** entertain any hope that the right ad, or even the right amount of time and money, will get the desired result from this market.

This researcher usually does not use herself as an example, but it is worth noting here that upon visiting the quick lube location where our test ad campaign was running, and realizing that my own car needed an oil change, *even I* hesitated a moment when ordering a re-refined oil change. I often drive long distances in isolated areas, and I know nothing about car maintenance. I don’t carry a cell phone, and I drive a car six years old. Anything possibly causing me to be stuck somewhere might really be a problem. I felt this hesitation even after having spent far, far more time than *any* member of the market would invest in studying the appropriateness of re-refined oil for use in a car’s engine. Such trepidations would be magnified *many* times over for those not as informed about re-refined oil.

The market is not going to put in that kind of effort, nor bear those sorts of risks, just to use what is for them an unproven product. Putting more money into such an advertising campaign would not be a good use of those resources.

### **A Simple Solution?**

The State might wish to consider adopting a surprisingly simple solution to this entire problem. The Society of Automotive Engineers organization has said that, since re-refined oil is chemically indistinguishable from other base oil stocks, there is no reason to inform customers at a quick lube, or elsewhere, that they are buying this particular type of oil. In other words, *the customer does not have to be told that the business is using re-refined oil*.

This is certainly the most advantageous situation when consumer resistance to the product is as strong as we believe. The image problem is totally rendered moot, and the move would be on solid ethical grounds as well, since the customer is not getting anything different from that which would normally be purchased. Therefore, that customer should incur no greater chance of any sort of engine damage as a result of using this product.

This solution does not necessitate further market research, other than that of how best to manage the introduction of this solution. Nor does it require the generating of further marketing literature, except the appropriate literature for such an effort.

## **A Way to Do It**

### **Market Considerations**

As discussed above, it is commonly accepted in contemporary marketing that “time poverty” (the stress of having too much to do in too little time) affects consumer behavior greatly. Indeed, the entire industry of the quick lube retail service outlet is *based* on this concern. Customers forgo the “luxury” of patronizing those presumably more qualified to service their cars (those at dealerships devoted to that make of car and “experts” at automotive repair shops) to gain the convenience of having the work performed close by, not having to leave their car and pick it up later, and having the work done quickly.

The market has already demonstrated that customers’ concern for time saved is enough to induce them to use this form of oil change. Given this situation, the most practical means to encourage the use of re-refined motor oil in passenger cars would be to *require* its use in quick lubes.

The largest group affected, motorists/customers needing oil changes, would only view this as a problem *if they knew* about the change in product. They remained unconvinced by the arguments in favor of this change, and therefore objected to its use in their car. If desired, “informational” literature could be devised to explain the “new custom blend” of motor oils. It would *draw no particular attention to the substitution of re-refined for virgin motor oil stock* in the oil used at the quick lube.

If the individual motorist had a vigorous objection to such State re-refined percentage requirements at quick lubes, he could simply elect to change his own oil, or get his oil change at a dealership or mechanic’s location. The requirement that quick lubes must use re-refined oil could be perhaps 15 percent for the first year, 30 percent for the second year, and so on, in a gradual phasing-in of the re-refined stock. Thus, the motorist could not argue that re-refined oil was being *forced* upon him by such a program.

### **Supplier Considerations**

The individual manager of a single retail outlet would have no choice but to comply, despite the possibly vigorous objections of the owners of chains of quick lubes—often oil companies. This resistance could be minimized, but probably not eliminated, by working with such individuals and the oil companies before any introduction of this program to the market. Big oil and big government have cooperated—or opposed—one another in the past; this is nothing new. If quick lubes should experience economic damage, oil companies might be able to use their resources to support the quick lubes. But given the attractive market of California motorists, such a requirement to use re-refined oil should not cause any economic damage.

The individual owner-manager of a retail outlet, probably at greatest risk of damage in such a program, would likewise have no choice but to comply. He has already expended the “sunk costs” of buying the outlet, tanks, and so on, which could not be economically moved out of state. Program managers could address any problem through some form of relief for this group.

Program managers could conduct careful research on how best to time the phasing requirements for using re-refined oil. Certainly, some would resist the change. But as the program is phased in with no problems for the end user, the desire for the speed and convenience of a quick lube-

supplied oil change would certainly eventually overcome any customer trepidation about the use of re-refined oil.

### **Rationale**

California may gain a special place among the environmentally conscious as *the first* state to make such requirements of its quick lubes. Following are some rationales that might be used to justify this requirement:

*-California has the largest number of cars in the United States, hence is suffering the most from this kind of environmental degradation.*

*-California has an exceptionally beautiful environment for which government and citizens have the responsibility of providing stewardship.*

*California's massive agricultural industry requires special precautions involving the protection of its water resources.*

Properly presented, such honorable goals might be hard to criticize, should any resistance turn into a public relations battle for the opinions of Californians.

If progress is truly desired in the area of encouraging the use of re-refined oil, such a requirement of quick lubes seems the least costly, most direct, and most efficient way to accomplish this. Certainly, there will be criticism—but there are ways to counter this. And given the amount of consumer resistance to the product, this seems the only way to accomplish the goal of expanding the use of re-refined motor oil at quick lube outlets without spending prohibitive amounts promoting a product with an “image problem” that is truly *terrible*.

## **Future Research**

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An important discovery in this research, in regard to attitudes about frequency of oil changes, is that the “every 3,000 miles” maxim is actually at the short end of a continuum of ideal oil change intervals. How often a car's engine oil should be changed is, in fact, a much more involved estimate than this simple measurement of mileage. It is affected by factors such as dustiness of driving conditions, stop-and-go versus highway miles, type of driving, temperature of driving, and other varying engine conditions.

To fulfill the more general goal of generating less used oil, another strategy that might be employed would be that motorists strive to change their oil as infrequently as possible within the safe operating conditions of their car's engine. This suggestion came from an individual quoted in the popular press mentioned in the literature review. This could be accomplished by filling out a simple questionnaire asking about such considerations as those mentioned here (dustiness and temperature). Motorists could then gauge how often their specific engine's oil should be changed.

This would allow the motorist to perform this task at that optimal frequency. Since the standard 3,000 miles is more often at the end of this range, car owners using this strategy, in general, would have fewer oil changes, generating less used oil of all sorts (virgin and non-virgin).

However, this strategy would have two big disadvantages. The first is that it would make more drivers “risk” running their engine with “dirty” oil. This is a definite risk factor for engine wear, a problem for both the owner, and probably car manufacturers as well, should the practice lead to problems for which they might be blamed. The strategy would also lessen the amount of oil



changes purchased (which would meet with the resistance of the oil change industry and probably car makers, as well).

Because of these two very serious disadvantages, this strategy—in all but fleet use conditions, where the maintenance scheduled can be rigorously monitored—would probably not meet with approval by the market. However, there is no reason that it could not be implemented under fleet conditions, and this researcher would recommend further study of this strategy for use in this context.

## **A Comment About Couponing**

Should a campaign of this nature be attempted again in the future, **couponing** (offering price-off, etc. coupons) offered some advantages for similar environmental projects. Coupons probably would not be appropriate for an effort where the risk might be that of the whole engine, far greater in value than any oil change.

Marketers use a number of tools to influence customers to buy their offerings. One of the most powerful is the so-called “marketing mix”—the four elements of *price*, *product*, *place* (distribution channel considerations) and *promotion*. Couponing involves changing the price part of the marketing mix. A \$5 off coupon on a \$30 oil change reduces the *price* to \$25. In general, price is the easiest marketing mix element to alter—often simply by writing over a price tag or display sign.

The accepted approach in marketing is that it is difficult to get any response from any price discount smaller than 20 percent: one dollar off a two-dollar box of aluminum foil (50 percent discount) would get a response (people would buy it to get the savings). One dollar off a \$20 haircut (5 percent discount) or off a \$200 suit of clothes (1/2 percent discount) would probably not get a response. For *this* unusual case: the 20 percent *reduction*, here, would represent a savings of \$6 (which is 20 percent of a \$30-oil change).

However, *here*, the customer feels he *may be risking the health of his engine*, which might cost thousands of dollars to replace, therefore the normal 20 percent hurdle does not apply. Indeed, if the motorist seriously believed he might be damaging his engine by using re-refined oil, the researcher doubts that he would opt for even a free oil change (100 percent discount)!

*In general cases, however*, in addition to being less expensive, the couponing method offers **two big advantages**:

1. It is easily tracked. Counts may be made of coupons turned in to the retailer and are an easy way to see if the program is being effective.
2. It yields quick response. An ever-growing sheaf of redeemed coupons in the cash register lets the retailer know right away if his campaign is bearing positive results. The more uncertain and subtle effect of, for example, “accumulating positive attitude toward re-refined oil” (a legitimate goal, here, in advertising), is much more difficult to trace. This difficulty would have the negative effect of not delivering the change in patronage that might convince other quick lube operators to try stocking the oil. It would also not deliver results fast enough for us to track them during the study’s short time horizon.

Coupon redemption has quicker results: *the coupon itself* “in pocket or purse” acts as a *physical reminder* to redeem that coupon—in this case, to use the quick lube service offering re-refined oil. Expiration dates can also be added to the coupon, further adding to the urgency and immediacy of the market appeal. Some marketing theorists hold with the notion that *all* promotions should bear time limitations.

The caveat in this case, as in this whole study, would be that many motorists are reticent to “risk” their car’s engine, given the market’s perception of re-refined oil’s “dirtiness” and problems cleaning the engine. The payout for trying re-refined oil in the crankcase is small—even for a discount on the oil change service. Couponing, with its attendant use of discount offers, seeks to entice the customer by offering that discount.

Greater considerations exist for the potential customer than the cost of an oil change versus the discounted cost. Making the wrong decision (getting an oil change with a product that did, indeed, ruin the engine) would have consequences that would far outweigh any discount, even of a *free* oil change. Therefore, this researcher does not recommend pursuing this approach to promotion, unless it has been studied more.

This couponing technique also has a great deal of paperwork associated with it that might prove cumbersome for the researcher and an added nuisance for the quick lube managers. The reimbursement details might prove another problem, especially if quick lube order writers mistakenly or deliberately allow some customers to cash in more than one coupon at a time, or if they take the coupon for service other than a re-refined oil change. At an absolute minimum, the quick lube management should be able to show documentation (receipts) that they are, in fact, buying sufficient re-refined oil to justify the number of oil changes for the coupons they are submitting for reimbursement.

### ***A Note About Direct Mail Appeals***

For many reasons, not least the economy and *targeted nature* of direct mail, this method might be considered ideal for a campaign such as this one. Program managers could analyze traffic patterns in order to target the exact group of potential customers who could reach the quick lube by the most direct, and closest, traffic route possible. When response was flagging during this campaign, we suggested this method to Grease Monkey (who again refused *all* promo directed outside their own outlets; it was no criticism of this method).

The researcher could produce a letter, possibly including a coupon to reinforce the message, on a personal computer (yielding greater speed and economy, rather than going to a printer). The letters could easily be rewritten to include a line about the coupon and the coupon itself. There would be no “waste coverage” of potential targets outside the geographic area of the particular quick lube doing the test offering.

Students (marketing students are often employed in such efforts) or other inexpensive help could be engaged and trained in how to distribute the letters (for example, *never* placing them in mail boxes intended for U.S. Mail). The promotional campaign could be inexpensively accomplished *in an afternoon*. This is in contrast to media, which always requires a lead time (time in advance) to rent space or time. Successive letters, perhaps with different text or emphasis, inclusion of coupons (or not) could be accomplished quite easily. Variations in coupons such as raising the discount could be accomplished just as easily, should earlier effort not produce the desired result.

# Appendix A: Focus Group Protocol Sheets

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The following questions were used as “conversation starters” with the participants of all focus groups to assure coverage of the subject from a number of viewpoints. Latitude was allowed to the group so that the conversation could move in its own direction and specific subjects of their concern could be raised. Issues are organized by general subject area and were originally generated from the literature and informal interviews.

## **The Environment:**

How important do you believe the quality of the environment to be, in general?

How important do you believe the quality of the earth’s environment to be?

How important do you believe the quality of California’s environment to be?

What do you feel is the real effect that one person's actions would have, on the quality of the environment?

How much extra time should people be willing to spend, to help the environment?

How much extra money should people be willing to spend, to help the environment?

How much extra trouble and inconvenience should people be willing to spend, to help the environment?

## **Car Maintenance:**

How do you feel about car maintenance, in general?

What is the best thing about it?

What is the worst thing about it?

What could be done to make car maintenance more acceptable to you?

What is your level of trust in those who perform car maintenance for you?

Do you believe that the way that you choose to maintain your car has an effect on the environment?

If yes, how much effect do you think that is?

## **Oil Changes:**

How do you feel about changing the oil in your car?

What is the best thing about it?

What is the worst thing about it?

How do you feel about the expense involved?

How do you feel about the expense involved, compared to the value, to your car, of changing your oil?

How do you feel about the time it takes?

How do you feel about the inconvenience involved?

Do you go to “quick lubes”?

[If yes,] The reason I go to quick lubes to have my oil changed is:

**Motor Oil:**

What is your attitude toward motor oil?

Do you think there is much difference between name brands of motor oil?

Do you think there is much difference between name brands of motor oil, and unbranded motor oil?

Do you have a brand you prefer?

Why do you prefer this brand?

What would it take you to change your brand of motor oil?

Who would you trust for selecting the brand of motor oil for your car?

“Engine manufacturer tests show that virgin oil and re-refined oil performs equally. However, consumers have shown that virgin oil is preferred.”

Why is that the case?

What are the issues?

Why do people select virgin oil over re-refined oil?

**Re-Refined Oil:**

What do you think of re-refined motor oil?

Tell me about those attitudes.

What are those attitudes based on?

Do you think re-refined oil is “as good” as “virgin” motor oil?

Tell me more about this.

What are the differences between virgin and re-refined motor oil?

Would you be willing to put re-refined oil in your car?

Why or why not?

What are some things you would look at, to tell you whether re-refined oil was as good as virgin motor oil.

What could convince you to try re-refined oil?

# Appendix B: Sources of Re-Refined Oil

## Rerefiners

There are two re-refineries in the U.S. that produce the base oil: Evergreen Oil in California and Safety-Kleen in Illinois. These two re-refineries take in only a small percentage of the total used oil generated in the United States. The process they use is very similar to what traditional oil refineries do to remove base oil from crude and is based on *distillation*, rather than *filtration*.

## Blenders

Unocal, [Chevron](#), [Safety-Kleen](#) (Safety-Kleen Systems, Inc. 5400 Legacy Drive, Cluster II, Building 3, Plano, TX 75024, 1-800-669-5740), Coast Oil, Rosemead Oil, and Lyondell are the major blenders. Typically, an oil blender will purchase base stock from the re-refinery and combine it with an additive package to meet specific performance requirements. Re-refined oil comes in a variety of blends, suitable for different types of gas and diesel engines.

County	Company Name	Address	Phone Number	Quantity Sold
Amador	Sierra Energy	117 W Jackson St. Ione, CA	(209) 274-2470	55-gallon drums
Amador	Sierra Energy	746 Pool Station Rd. San Andreas, CA 95249	(209) 754-3550	55-gallon drums
Butte	Sierra Energy	850 Oro Dam Blvd. E Oroville, CA 95965	(530) 533-5235	55-gallon drums
Contra Costa	B C Stocking Distributing	942 Hensley St. Richmond, CA 94801	(510) 215-4191	55-gallon drums
Contra Costa	Bay Area Diablo Petroleum	Dennis O'Keefe 1031 Galaxy Way Concord, CA 93212	(925) 957-1926	55-gallon drums
Contra Costa	Golden Gate Petroleum	501 Shell Ave. Martinez, CA 94553	(800) 640-4311	12-quart cases
Contra Costa	Pitcock Petroleum	220 Hookston Rd. Concord, CA 94523	(925) 935-3800	55-gallon drums
Del Norte	C. Renner, Inc.	255 State Hwy 101 South Crescent City, CA 95531	(707) 465-1776	12-quart cases
Del Norte	Otten Distributing, Inc.	PO Box 128 Crescent City, CA 95531	(707) 465-4200	55-gallon drums
El Dorado	Dawson Oil Co.	321 Pleasant Valley Road Diamond Springs, CA 95619	(530) 642-2681	55-gallon drums
El Dorado	Sierra Energy	561 Placerville Drive Placerville, CA 95667	(530) 622-3817	55-gallon drums
Fresno	C.L. Bryant Inc.	2822 South Orange Ave. Headquarters	(559) 443-5427	12-quart cases

County	Company Name	Address	Phone Number	Quantity Sold
		Fresno, CA 93725	(209) 537-7600	
Fresno	InterState Oil Co.	3609 So. Bagley Ave. Fresno, CA 93725	(559) 233-3221	55-gallon drums
Fresno	Silvas Oil Co.	3217 E. Lorena Ave. Fresno, CA 93725	(559) 233-5171	12-quart cases
Fresno	Silvas Oil Co., Inc. Fresno Plant #11 (Corporate office)	P.O. Box 1048 Fresno, CA 93714-1048 3217 E. Lorena Fresno, CA 93725-1009	(559) 233-5171	55-gallon drums
Fresno	Sutherland Oil Co., Inc.	2822 South Orange Ave. Fresno, CA 93725	(805) 486-4581	Bulk in 10-30 and 15-40, cases of quarts, and hydraulic fluid in bulk only
Fresno	West Hills Oil, Inc.	425 W. Elm St. Coalinga, CA 93210	(559) 935-1687	12-quart cases
Humbolt	Renner Petroleum	1100 W 14th St. Eureka, CA 95501	(707) 443-7600	12-quart cases
Imperial	Buck Petroleum Co.	1313 Main Street Brawley, CA 92021	(760) 351-2915	12-quart cases
Imperial	Soco Group Inc.	350 E. Main St. El Centro, CA 92243	(760) 352-4683	5-gallon bucket
Imperial	Soco Group Inc.	815 K St. El Centro, CA 92223	(760) 344-2424	5-gallon bucket
Inyo	Eastern Sierra Oil Co.	481 E. Line St. Bishop, CA 93514	(760) 872-4645	55-gallon drums
Kern	Brown & Reich Petroleum, Inc.	216 S. 6th St. Taft, CA 93268	(661) 765-5457	1-quart, 1-gallon cases, 55-gallon drums, and in bulk
Kern	C.L Bryant Inc.	3940 Rosedale Hwy Bakersfield, CA 93308	(661)327-7212 Headquarters (209) 537-7600	12-quart cases
Kern	Grapevine Oil Company	524 Dolores St. Bakersfield, CA 93305	(661) 323-9023	12-quart cases
Kern	Grapevine Oil Company	Valpredo & Hwy 99 Mettler, CA 93389	(661) 201-5024	12-quart cases
Kern	Schwebel Petroleum	900 Sacramento St. Bakersfield, CA 93302	(661) 323-8044	12-quart cases

County	Company Name	Address	Phone Number	Quantity Sold
Kings	C.L. Bryant Inc.	1130 Pickerel Ave. Corcoran, CA 93212	(559) 992-4161 Headquarters (209) 537-7600	12-quart cases
Kings	Silvas Oil Company, Inc. Hanford Plant #3	175 S. 10th Ave. (Bulk Plant) 417 E. 5th St. (Warehouse & Office) Hanford, CA 93230	(559) 582-0221	55-gallon drums
Kings	Silvas Oil Company, Inc. Tri- Counties #8	703 East 6th St. Hanford, CA 93230	(559) 584-6678	55-gallon drums
Lassen	Sierra Energy	3rd St. & Ash Westwood, CA 96137	(530) 256-3216	55-gallon drums
Los Angeles	Cosby Oil Company	12902 E. Park St. Santa Fe Springs, CA 90670	(714) 739-0763	12-quart cases
Los Angeles	General Petroleum Resources	John Zar P.O. Box 499 Long Beach, CA 90801	(562) 983-7300	55-gallon drums
Los Angeles	Marrimac Petroleum, Inc.	Mary Hazelrigg 444 W. Ocean Blvd., Ste 1106 Long Beach, CA 90802	(562) 983-9350	55-gallon drums
Los Angeles	Rosemead Oil Products	11017 Lockport Pl. Santa Fe Springs, CA 90670	(800) 794-8400	Package or bulk
Los Angeles	Walsma Oil Company, Inc.	44141 N. Yucca Ave. Lancaster, CA 93534	(661) 945-4772	6-gallon cases
Mendocino	Eel River Fuels, Inc.	3371 N. State St. Ukiah, CA 95482	(707) 743-1777	12-quart cases
Mendocino	Mendocino Coast Petroleum	720 N Franklin St. Fort Bragg, CA 95437	(707) 964-2407	12-quart cases
Merced	C.L. Bryant Inc.	101 W. "H" St. Los Banos, CA 93635	(209) 826-2236 Headquarters (209) 537-7600	12-quart cases
Monterey	Central State Oil	221 Prader St. Salinas, CA 93901	(831) 424-2556	55-gallon drums
Monterey	G.N. Renn, Inc.	845 Walnut Ave. Greenfield, CA 93927	(831) 674-5823	1 quart, 55-gallon drums, and in bulk
Monterey	Toro Petroleum Corp	308 W. Market St. Salinas, CA 93901	(831) 424-1691	55-gallon drums
Napa	Napa Valley	691 Lincoln Ave.	(707) 252-6888	12-quart cases

County	Company Name	Address	Phone Number	Quantity Sold
	Petroleum, Inc.	Napa, CA 94558		
Napa	Napa Valley Petroleum, Inc.	257 S. Kelly Rd. American Canyon, CA 94558	(707) 252-6888	12-quart cases
Nevada	Union Oil Co. Distributors	720 S Auburn St. Grass Valley, CA 95945	(530) 273-6925	12-quart cases
Orange	Southern Counties Oil Co.	Frank Freinke P.O. Box 4159 Orange, CA 92613	(714) 744-7145	55-gallon drums
Placer	Sierra Energy	David Hargrave P.O. Box 759 Colfax, CA 95713	(530) 346-8717	55-gallons
Riverside	Downs Oil company, Inc.	1296 Magnolia Ave. Corona, CA 91719	(909) 737-3421	55-gallon drums
Riverside	Hemet Oil Company, Inc.	106 S. Ramona St. Hemet, CA 92543	(909) 658-5180	Cases of quarts, cases of gallons, 55-gallon drums
Riverside	Lee Escher Oil Company	85119 Avenue 50 Coachella, CA 92236	(760) 398-2051	55-gallon drums
Sacramento	C.L Bryant Inc.	4660 Pell Drive Suite B Sacramento, CA 95838	(916) 568-7600 Headquarters (209) 537-7600	12-quart cases
Sacramento	Hunt & Sons Inc.	Dean Hunt, Tom Gravink PO Box 297670 Sacramento, CA 95827	(916) 383-4868	55-gallon drums
San Bernadino	Beck Oil, Inc.	16640 "D" St. Victorville, CA 92392	(760) 245-4191	5-gallon buckets
San Bernadino	Merit Oil Co.	Ron Nucklers 1020 W. Bloomington Ave. Bloomington, CA 92316	(909) 872-2651	12-quart cases
San Diego	Buck Petroleum Co.	9338 Bond Ave. El Cajon, CA 92021	(760) 351-2915	Can sell individual quarts and cases
San Diego	Cosby Oil Company	622 Fairmont Ave. San Diego, CA 92129	(619) 280-6884	55-gallon tanks
San Diego	Plavan Petroleum, Inc.	321 S. Quince St. Escondido, CA 92025	(760) 745-6922	5-gallon buckets
San Diego	Sellers Petroleum Products, Inc.	9530 Chesapeake Dr. #504 San Diego, CA 92123	(858) 277-7601	12-quart cases
San Francisco	Peninsula Oil	Tom Wilson	(415) 282-4414	55-gallon drums



County	Company Name	Address	Phone Number	Quantity Sold
	Company	1655 Jerrold Ave. San Francisco, CA 94124		
San Francisco	San Francisco Petroleum	Doug Seames 2121 3rd St. San Francisco, CA 94107	(415) 621-5226	55-gallon drums
San Joaquin	Van de Pol Enterprises, Inc.	Ron Van de Pol 1001 W. Charter Way Stockton, CA 95206	(209) 465-3421	3-gallon cases, 55-gallon drums
San Joaquin	West Hills Oil, Inc.	222101 Colorado Str. San Joaquin, CA 93660	(559) 693-7782	55-gallon drums
San Luis Obispo	J.B. Dewar, Inc.	Ken Dewar P.O. Box 3059 San Luis Obispo, CA 93433	(805) 543-0180	55-gallon drums
San Mateo	First Automotive Distributors	273 E. Harris Ave S. San Francisco, CA 94080	(650) 244-9343	12-quart cases
San Mateo	G N Renn Inc.	833 Old County Rd. San Carlos, CA 95021	(650) 592-1050	12-quart cases
San Mateo	G-C Lubricants Co.	977 Bransten Rd. San Carlos, CA 94070	(650) 592-3291	5-gallon buckets
San Mateo	Jiffy Lube	407 S. Delaware St. San Mateo, CA 94402	(650) 344-8242	12-quart cases
Santa Barbara	Norman S. Buvick Petrol. Inc.	700 W. Church St. Santa Maria, CA 93454	(805) 925-7676	55-gallon drums
Santa Clara	Coast Oil Company	4250 Williams Rd. San Jose, CA 95129	(408) 252-7720, Main Number (408) 342-0220, Order Desk	5-gallon buckets
Santa Clara	Western States Oil Co.	1790 S. 10th St. San Jose, CA 95112	(408) 351-2340	5-gallon buckets, bulk
Santa Cruz	Bayside Oil II Inc	210 Encinal St. Santa Cruz, CA 95060	(831) 427-3773	12-quart cases
Santa Clara	Coast Oil Company	Gary Rowe 4250 Williams Rd. San Jose, CA 95129	(408) 252-7720	5-gallon buckets
Shasta	Cross Petroleum Products	2340 Wyndham Ln. Redding, CA 96049	(530) 221-2588	65-gallon drums
Shasta	InterState Oil Company	2940 Arcade Way Redding, CA 96002	(530) 222-3031	55-gallon drums
Shasta	Northern Lights	2340 Windham Ln.	(530) 241-2196	12-quart cases

County	Company Name	Address	Phone Number	Quantity Sold
	Energy (Headquarters)	Redding, CA 96001		
Siskiyou	Siskiyou Petroleum	1500 Fairlane Rd. Yreka, CA 96097	(530) 842-2416	55-gallon drums
Solano	B.C. Stocking Distributing	P.O. Box 567 Vacaville, CA 95696	(707) 455-2900	55-gallon drums
Solano	Bay Area Oil Co	485 Industrial Way Benicia, CA 94510	(707) 747-5060	12-quart cases
Sonoma	Royal Petroleum Company	364 Todd Rd. Santa Rosa, CA 95402	(451) 454-4066	12 quart cases
Stanislaus	C.L Bryant Inc.	532 N. Sierra Ave. Oakdale, CA 95361	(209) 847-0261 Headquarters (209) 537-7600	Bulk or 55-gallon drums
Stanislaus	C.L. Bryant Inc.	237 E. Whitmore Ave. Modesto, CA 95358	(209) 537-7600	Quarts, 1-gallon, cases, 55-gallon drums, sells mainly in bulk.
Stanislaus	Dickey Petroleum	1001 Berkeley Ave. Turlock, CA 95380	(559) 667-0236	6-gallon cases
Sutter	Sierra Energy	1499 Market St. Yuba City, CA 95991	(530) 673-8253	55-gallon drums
Trinity	Northern Lights Energy	Main & Washington Weaverville, CA 96093	(530) 241-2196	12-quart cases
Tulare	Silvas Oil Company, Inc. Dinuba Plant #5	501 South "M" St. Dinuba, CA 93618	(559) 591-4460	12-quart cases
Tulare	Silvas Oil Company, Inc. Porterville Plant #7	336 South "E" St. Porterville, CA 93257	(559) 784-0186	55-gallon drums
Tulare	Valley Pacific Petroleum	1633 Minnel King St. Visalia, CA 93279	(559) 784-2184	55-gallon drums
Tuolumne	C.L. Bryant Inc.	Sonora Bulk Plant 201 Hospital Rd. Sonora, CA 95370	(209) 536-0700 Headquarters (209) 537-7600	12 quart cases
Ventura	General Petroleum Resources	3815 Vineyard Ave. Oxnard, CA 93030	(805) 485-7855	12-quart cases
Ventura	Silvas Oil Company, Inc. Oxnard plant # 1	1757 East Wooley Rd. Oxnard, CA 93030	(805) 486-4581	12-quart cases

County	Company Name	Address	Phone Number	Quantity Sold
Yolo	Ramos Oil Company Inc.	Hep Hepner/Kent Ramos P.O. Box 401 West Sacramento, CA 95691	(916) 371-2570	12-quart cases
Yolo	Ramos Oil Company Inc.	4040 Old Highway 99 W Dunnigan, CA 95937	(530) 724-3501	12-quart cases

This material is from the CIWMB website: [www.ciwmb.ca.gov/UsedOil/Rerefined/Distributors.htm](http://www.ciwmb.ca.gov/UsedOil/Rerefined/Distributors.htm)

# Appendix C: The Five Advertising Approaches—and One Additional

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The advertising approaches generated by the market research done during this study were all designed in response to various attitudes unearthed and explored during our efforts. They use a number of marketing and advertising devices in order to gain the attention of the reader, overcome objections, convince him, drive their point home, and call for action.

## ***The Various Formats***

The approaches were elaborated in various formats: billboard, direct mail letter, coupon, and poster. We include here examples of each. The letter format allows for the largest amount of words in the message (the “*longest copy*”). Where possible, many approaches include elements of the others but *emphasize* on one particular approach.

Obviously, in some formats such as billboard and coupon, the format itself demanded shorter copy (few words—no driver has time to read a 100-word billboard message, even if he could see it!). Therefore, no such inclusion of other approaches was possible. In addition, we experimented with long and also very short copy, even in the poster format.

These posters were designed to be viewed by customers waiting to order their oil change, customers who were a few feet from the advertisement and had perhaps a few moments to read it. This is the reason that some of these posters include longer copy than is often seen in such posters (although, as will be evident, some were prepared with short copy).

As discussed in the report, we were limited to presentation to the potential customer in the poster format. The advantage of this, for this study’s comparative purposes, is that the customer’s response would not be affected by *which* of the formats the message was put into. (This is discussed in the body of the report.)

## ***Driver Attitudes***

In general terms, the research we did, especially with the focus groups, revealed that the drivers polled did profess to being interested in the health of the ecosystem. They also often reaffirmed that they “love” California and its environment, and generally supported such activities as we were promoting, in the name of environmental concerns.

However, they were not willing for such efforts to cost them any more. Also revealed in the focus groups was the fact that most California drivers do, on the other hand, want to find some sort of peace with the competing announcements about “saving the environment”—they want to feel that they at least are doing one good thing for the environment.

We had intended to work together with a re-refined oil source guaranteeing the quick lube a dependable supply of re-refined oil. But this did not occur since the Grease Monkey group had already located such a supplier (America’s Choice). Indeed, they had already bought so much of the canned re-refined oil from this supplier, that they did not need to buy any more for the duration of the test (therefore, they had no invoices to submit for this test period). These sources are identified in Appendix B. It provides a list of suppliers for California.

The advertising approaches developed in this research, introduced under their working titles, are presented here. An explanation comes first, then the poster form, followed by the direct mail letter format. The reader should note that the posters have a great deal more impact in the intended 24' x 36' format, than as reproduced here, in the much smaller 8' x 10' format.

## **Advertising Approach—“Two Beakers”**

This approach deals directly with the number one objection on the part of the market about using re-refined oil. This is their concern that motor oil produced from re-refined oil as a base oil stock might still be as “dirty” as they fear—or, at least, “dirtier” than virgin motor oil, thus defeating the purpose for changing one’s oil at all.

The members of the market understand this process, and the cleaning properties of a new batch of motor oil, when used in their car’s engine. The importance of this property of oil and oil changes is reflected in a popular belief in America: “Oil is the blood of the car’s engine, changing a car’s oil often enough will keep the car young.” These are deeply held beliefs.

Some members of the market doubt the “clean” properties of re-refined oil. At the very least, they may assume that re-refined oil, by virtue of the fact that it has already been used, *must* therefore be “dirtier” than virgin oil. Therefore, many in the market believe use of re-refined oil might damage their engine by not cleaning their engine as well as virgin oil could (or indeed, introducing *new* dirt into the engine). Some feel its use would void their car’s warranty. This may be of equal concern to many in the market.

As a marketing advisor who has also studied social anthropology, this researcher feels she should add this comment here, for the reader’s consideration: “Purchasing decision-making” in the family (the most pervasive and basic unit of our, and most, societies) is a matter of a great deal of study in the field of marketing. This researcher has read dozens of cases detailing “family purchasing decision making,” analyzed along the lines of who earns the larger paycheck, who spends the greater amount of time with the children, and who makes all the other decisions.

In the vast majority of the cases, families who choose (usually for efficiency reasons) to divide purchasing responsibility among the two spouses almost always do so along traditional sex-role lines. Even the most domineering father, who makes all the money and controls all the spending, would rarely presume to tell his wife how to dress the kids or which brand of flour to buy.

And even wives who make quite a bit more than their husbands and who make most decisions probably would not tell their husbands which brand of riding lawn mower to buy, or *how to maintain the car(s)*. Often there is a correlation between purchasing responsibly and earning level. Respective earnings often play a great role in the distribution of power among spouses, in spending and in all else. But the purchase responsibility for motor oil often followed the traditional sex-role lines.

Buying for child care, food shopping, outside house maintenance, and car care are assumed to be best accomplished by that spouse “best qualified” (perhaps by life experience). The wives handle the first two; the husbands, the last two. The education system, at least at one time, seemed to agree with this division of labor.

When this author was in junior high school, the girls took courses in cooking and sewing, while the boys took auto mechanics and shop. And those boys, grown up, do seem to know more about car care. They seem to be accorded more respect for their opinion on the subject, and even *may feel themselves obligated to have expertise* in these areas, judging from their behavior in the focus groups and elsewhere in the research. In the focus groups, men stated their opinions on re-refined oil and other car care subjects more forcefully and their opinions were accorded more respect than input from women participants.

With regard to this campaign, this marketing approach (reassurance that re-refined oil is just as good as virgin oil) is “proven” by the two identical photographs of beakers. In the advertisement, they look the same.

The direct mail letter form of this campaign, shown on page 45, states: “As you can see from the picture above, re-refined oil, can be engineered to be identical to ‘new’ motor oil, and can safely be used again!” Obviously, the *appearance* of similarity of the color of the substance in the two beakers hardly constitutes “proof” of the worthiness of re-refined oil to be used in a car’s engine—or even of the similarity of the two substances—but this was the strongest visual statement the researchers could devise.

The reader is enticed to actually inspect the picture of the two beakers in the “Can you tell the difference?” ad. This *involves* the reader more than the average ad (since he has to inspect the two beakers, and then make the visual comparison, deciding if the two beakers do contain substances which look the same). The mental “work” involved on the part of the reader is known to increase recall, reinforcing the ad’s powers of persuasion.

In marketing research on the effectiveness of print advertising, for example in a magazine, sensitive photographic monitoring actually measures how long the readers’ eyes stay on a certain image (even to the extent of “reading” how and where on the advertisement the eye roams and for how long!). Success, in this kind of advertising, lies in involving the reader for a *longer* amount of time.

Having the reader actually carry out a mental task (looking, comparing, making a judgment, drawing a conclusion—in this case, of whether there is a difference between what is in the two beakers) calls for the active thought processes of the reader, rendering the ad stronger and more involving.

We elaborated this campaign approach in the poster and direct mail promotional letter version of this approach.

# Can You Tell the Difference?



## Neither Can Your Car.



re-refined oil  
THE SMART CHOICE.

FUNDED BY A GRANT  
FROM THE



Dear California Motorist—

WE HAVE SOME GOOD NEWS FOR YOU, IF YOU CARE ABOUT THE ENVIRONMENT IN OUR BEAUTIFUL STATE ! *We are starting a program to help with the environmental effects of driving – which takes only a second, doesn't cost you extra, and is effortless.*

'Sound too good to be true? We're hoping you'll want to participate! Just **GET YOUR CAR'S OIL CHANGED**, at

**Grease Monkey # 55**

**1365 Fair Oaks Blvd, at Glenview**

**Riverside, California 92136**

**And SPECIFY 'RE-REFINED' OIL** - a **PURIFIED** motor oil which is **approved by major car manufacturers, and both meets all test requirements** (passes all S. A. E. specifications) **and performs in every way the same as traditional motor oil**, except that it's better for our environment.

**As you can see from the picture above, re-refined oil, can be engineered to be identical to 'new' motor oil**, and can safely be used again! Top automakers know about this and approve – in fact, some leading auto manufacturers even deliver their new cars with re-refined oil in their crankcases!

**You—and your car— will not be able to tell the difference, but California will! We won't have to import as much oil** (right now, our state uses 30,000 barrels a day more than is refined here!), **and we'll have less water contamination problems** from the disposal of 'used' oil. We all get cleaner water, a better environment, *and* less dependence on imported oil!

Asking for 'Re-refined Oil' at your next oil change; it's the simplest solution, for the driver, that we've found, to improve environmental quality! If drivers like you can do that one, almost effortless thing, we, and retail outlets like Grease Monkey, will make sure this special oil is always available – and at no extra cost.

So please, the next time you need an oil change, make the choice to preserve the beauty our State so well-known for - specify 'Re-Refined Oil' at this local Grease Monkey, and they, we, **and all of California, will thank you for it!**

With best wishes for a beautiful New Year,

Dr. Carol Ann Dorn, School of Business and Public Administration,

California State University, Dominguez Hills,

Funded by the California Integrated Waste Management Board



## **Advertising Approach—“One Second”**

The average California motorist in our focus groups confirms his concern for California's environment. Among other concerns, he does not want doing something about this concern to take him any *time*. This concern is in keeping with various recent findings in marketing and consumer behavior: among many members of the market, saving time is as important as, or even more important than, saving money.

Leisure time is considered by many in the market to be the most important of all. Getting one's car oil changed is an activity that typically comes out of this small, precious store of time. The members of the market routinely pay more for products that save them time: commercial dry cleaning, pre-packaged “take-along” versions of a number of meal and snack items, maid service, and “full-serve” gas service at service stations.

The logic for the claim that a more beautiful environment “only takes a second” is literal: the time difference between ordering “an oil change” and ordering “a re-refined oil change” is about one second longer when speaking the order. Therefore, this advertising approach seeks to appeal to potential users to take the re-refined oil change, since it does not cost them any appreciable amount of extra time to perform this environmental “duty.”

The letter form of this approach communicates this sentiment to the potential user directly. Note that (as in the other approaches) other arguments for using re-refined oil are also present. The difference is in emphasis. In this approach, the focus is on the *time-saving aspect* of this product's use in a quick lube setting.

For a Beautiful Environment

It only takes a **second**.



*Ask for Re-Refined Oil  
During your next oil change.*



FUNDED BY A GRANT  
FROM THE



Dear California Motorist—

WE HAVE SOME GOOD NEWS FOR YOU, IF YOU CARE ABOUT THE ENVIRONMENT IN OUR BEAUTIFUL STATE ! *We are starting a program to help with the environmental effects of driving – a solution which* TAKES ONLY A SECOND, DOESN'T COST YOU EXTRA, and IS EFFORTLESS!!

'Sound too good to be true? We're hoping you'll participate! Just **GET YOUR CAR'S OIL CHANGED**, at

**Grease Monkey # 55**

**1365 Fair Oaks Blvd, at Glenview**

**Riverside, California 92136**

**And SPECIFY 'RE-REFINED' OIL** - a **PURIFIED** motor oil which is **approved by major car manufacturers, meets all test requirements (passes all S. A. E. and A. P. I. specifications), and performs in every way the same as traditional motor oil** except that it's better for our environment.

Yes – motor oil that the latest tests prove, can safely be used again! Top automakers know about this and approve – in fact, some leading manufacturers even deliver their new cars with re-refined oil in their crankcases!

**You - and your car - will not be able to tell the difference, but California will! We won't have to import as much oil** (right now, our state uses 30,000 barrels a day more than is refined here!), **and we'll have less water contamination problems** from the disposal of 'used' oil. We all get cleaner water, a better environment, *and* less dependence on imported oil!

**We timed it: it takes one extra second to ask for 'Re-refined Oil'** at your next oil change; it's the simplest solution, for the driver, that we've looked at! If you can invest that one second, and this plan works, we, and retail outlets like Grease Monkey, will make sure the oil is always available – and at no extra cost.

So, please, the next time you need an oil change, **make one second really count** to preserve the beauty our State so well known for - specify 'Re-Refined Oil' at your local Grease Monkey, and they, we, **and all of California, will thank you for it!**

With best wishes for a beautiful New Year,

Dr. Carol Ann Dorn

School of Business and Public Administration

California State University, Dominguez Hills

Funded by the California Integrated Waste Management Board

## **Advertising Approach—“One Good Thing” (Moonlit Water)**

In print advertising, a great visual is the starting point of a persuasive advertisement. This advertising approach makes use of the impact of a very lovely and unusual photograph of water, unique especially since the water is shown at night and mainly in the reflections of moonlight upon it.

The narrow triangle, which is made up of those reflections of light on the water, draws the reader's eye upward. These are almost like lines of perspective pointing toward the source of the light, the moon—and the headline, “One Good Thing.” The composition of the graphic is balanced and solid with a central axis down the middle. The reversed-out text also recalls the white reflections on the water.

The typeface of the headline and the slightly fuzzy print are intended to give the impression that the words could be “ethereal” or could have come “from above” (from Mother Nature, or higher...?). The golden halo placed above the “G” in “Good” reinforces the “heavenly” connection and further communicates that we are talking about the participant doing a “good deed” (here, the motorist's helping the environment by using re-refined oil).

As expressed also in two additional approaches, focus group members revealed that people want to feel that they are doing *one, solid thing* for the environment—that it would make people feel good if they could make *a small but definite* contribution to environmental quality by their behavior.

That message is expressed in the subheading “One good thing you can do for the environment.” It seeks to tempt the reader to perform this small but definite act by reminding the reader that it costs him nothing, in effect, to do it. The “big three” disincentives to taking such action identified in focus groups: *time, cost and effort*, are represented as negligible.

The direct mail letter format for this advertising approach emphasized the satisfaction of performing this one simple act to contribute to California's environmental quality:



# One *Good* Thing

One good thing you can do for the environment.



FUNDED BY A GRANT  
FROM THE



Dear California Motorist –

WE HAVE SOME GOOD NEWS FOR YOU, IF YOU CARE ABOUT THE ENVIRONMENT IN OUR BEAUTIFUL STATE ! *We are starting a program to help with the environmental effects of driving – which takes only a second, doesn't cost you extra, and is effortless.*

'Sound too good to be true? We're hoping you'll want to participate! Just **GET YOUR CAR'S OIL CHANGED**, at

**Grease Monkey # 55**

**1365 Fair Oaks Blvd, at Glenview**

**Riverside, CA 92136**

**And SPECIFY 'RE-REFINED' OIL** - a **PURIFIED** motor oil which is **approved by major car manufacturers, and both meets all test requirements** (passes all S. A. E. specifications) **and performs in every way the same as traditional motor oil**, except that it's better for our environment.

Major auto manufacturers have actually issued letters of support for re-refined motor oil – the one from **Mercedes said, there is “no reason not to use” it** In fact, some leading auto manufacturers even deliver their new cars with re-refined oil in their crankcases!

**You - and your car - will not be able to tell the difference, but California will! We won't have to import as much oil** (right now, our state uses 30,000 barrels a day more than is refined here!), **and we'll have less water contamination problems** from the disposal of 'used' oil. We all get cleaner water, a better environment, *and* less dependence on imported oil!

Asking for 'Re-refined Oil' at your next oil change; it's the simplest solution, for the driver, that we've found, to improve environmental quality! If drivers like you can do that one, almost effortless thing, we, and retail outlets like Grease Monkey, will make sure this special oil is always available – and at no extra cost!

So please, the next time you need an oil change, make the choice to preserve the beauty our State so well-known for - specify 'Re-Refined Oil' at this local Grease Monkey, and they, we, **and all of California, will thank you for it!**

With best wishes for a beautiful New Year,

Dr. Carol Ann Dorn, School of Business and Public Administration,

California State University, Dominguez Hills

Funded by the California Integrated Waste Management Board

## **Advertising Approach—“No Reason Not to Use It”**

This advertising approach, in the opinion of this researcher, is the most powerful of those developed in this study. *It deals directly with the strongest objections of the market to trying re-refined oil that we identified in the research:* their fear that using re-refined oil would harm their engine or void the car’s warranty. By presenting the automakers’ approval of the use of re-refined oil in the ad, it addresses these objections and barriers to use in one stroke.

However, this advertising approach was disapproved for use in this campaign because we learned that Mercedes Benz was no longer using re-refined oil in their factory installed vehicles. No explanation was given as to why this practice ended. Therefore, we could not showcase Mercedes Benz as a company that was not fearful of using re-refined oil in its high end vehicles. Also, since the development of this campaign approach, the researcher has also been made aware that one of the automakers has reversed his opinion, negating the value of this approach.

This advertising approach was *repeatedly judged as the most persuasive*, by informal polls. It is assumed to quell the fears of members of the market about voiding their warranty (and also because automakers can probably be assumed to know the best course of action in maintaining the car that they produce). For this reason it is being included here, since it was produced and often judged the best of the lot. Perhaps the CIWMB could use this approach in the future in a situation without the disincentive of similar legal considerations.

As elaborated in the poster and direct mail letter format, this campaign approach was expressed as follows.



"...there is **no reason**  
**not to use it.**"

-leading automobile manufacturers

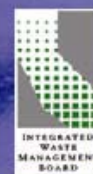


If the leading automobile manufacturers have  
re-refined oil in common.....shouldn't you?



re-refined oil  
THE SMART CHOICE.

FUNDED BY A GRANT  
FROM THE





Dear California Motorist –

WE HAVE SOME GOOD NEWS FOR YOU, IF YOU CARE ABOUT THE ENVIRONMENT IN OUR BEAUTIFUL STATE ! *We are starting a program to help with the environmental effects of driving – a solution which takes only a second, doesn't cost you extra, and is effortless!! IT'S EVEN ENDORSED BY THE LEADING AUTO MANUFACTURERS.*

'Sound too good to be true? We're hoping you'll want to participate! Just **GET YOUR CAR'S OIL CHANGED**, at

**Grease Monkey # 55**

**1365 Fair Oaks Blvd, at Glenview**

**Riverside, CA 92136**

**And SPECIFY 'RE-REFINED' OIL** - a **PURIFIED** motor oil which is **approved by major car manufacturers, meets all test requirements (passes all S. A. E. specifications), and performs in every way the same as traditional motor oil** except that it's better for our environment.

Yes – motor oil that the latest tests prove, can safely be used again! **Top automakers know about this and say there's "no reason not to use" it – in fact, some leading manufacturers even deliver their new cars with re-refined oil in their crankcases!**

You - *and your car* - will not be able to tell the difference, **but California will! We won't have to import as much oil** (right now, our state uses 30,000 barrels a *day* more than is refined here!), **and we'll have less water contamination problems** from the disposal of 'used' oil. We all get cleaner water, a better environment, *and* less dependence on imported oil!

Asking for 'Re-refined Oil' at your next oil change; **it's the simplest solution, for the driver, that we've found to safeguard both the life of your engine, and our environment!** If drivers like you cooperate, we, and retail outlets like Grease Monkey, will make sure the oil is always available – and at no extra cost., and they, we, **and all of California, will thank you for it!**

With best wishes for a beautiful New Year,

Dr. Carol Ann Dorn,

California State University, Dominguez Hills,

Funded by the California Integrated Waste Management Board

Since the use of this approach was advised against by the CIWMB's Legal Office, another approach was proposed to replace it, yielding five approved approaches for the test at the retail outlets.

## **Advertising Approach—“One Good Thing” Redwoods**

Though the focus groups showed that the market desired to do one solid good thing for environment, the poster expressed in the headline “One good thing for the environment” had some positive response. The ad expresses this desire this time in a more “down to earth” way. The ad contains a more simple typeface without the text “as if from above” and without the halo.

In this version, water is not depicted; we decided that *one* of the advertising approaches could highlight another of California’s environmental treasures that is still vulnerable to pollution, the redwoods. Certainly its applicability would extend to all forests and wooded areas. We thought that such an ad might be more effective when used in geographic areas of California that are located away from the narrow strip of the state that fronts the seashore—certainly this ad would be more effective than a beach scene in the inland forests or at a place like Yosemite!

The same arguments for this approach, as in advertising approach number three (“One Good thing” (moonlit water) apply here.

A beaker of re-refined oil is seen at the center of the top half of the ad, superimposed on the triangular logo for recycling.

The poster and direct mail letter formats developed for this approach appear as follows.



# One good thing for the environment.



re-refined oil  
THE SMART CHOICE.

FUNDED BY A GRANT  
FROM THE



INTEGRATED  
WASTE  
MANAGEMENT  
BOARD

Dear California Motorist –

WE HAVE SOME GOOD NEWS FOR YOU, IF YOU CARE ABOUT THE ENVIRONMENT IN OUR BEAUTIFUL STATE ! *We are starting a program to help with the environmental effects of driving – a solution which takes only a second, doesn't cost you extra, and is effortless!! IT'S EVEN ENDORSED BY THE LEADING AUTO MANUFACTURERS.*

'Sound too good to be true? We're hoping you'll want to participate! Just **GET YOUR CAR'S OIL CHANGED**, at

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**And SPECIFY 'RE-REFINED' OIL** - a **PURIFIED** motor oil which is **approved by major car manufacturers, which meets all test requirements (passes all S. A. E. specifications), and performs in every way the same as traditional motor oil** except that it's better for our environment.

Yes – motor oil that the latest tests prove, can safely be used again! **Top automakers know about this and say there's "no reason not to use" it – in fact, some leading manufacturers even deliver their new cars with re-refined oil in their crankcases!**

You - *and your car* - will not be able to tell the difference, **but California will! We won't have to import as much oil** (right now, our state uses 30,000 barrels a *day* more than is refined here!), **and we'll have less water contamination problems** from the disposal of 'used' oil. We all get cleaner water, a better environment, *and* less dependence on imported oil!

Asking for 'Re-refined Oil' at your next oil change; **it's the simplest solution, for the driver, that we've found to safeguard both the life of your engine, and our environment!** If drivers like you cooperate, we, and retail outlets like Grease Monkey, will make sure the oil is always available – and at no extra cost., and they, we, **and all of California, will thank you for it!**

With best wishes for a beautiful New Year,

Dr. Carol Ann Dorn,

California State University, Dominguez Hills,

Funded by the California Integrated Waste Management Board

## **Alternative Advertising Approach—“One Good Thing (Heaven-Hell)”**

We decided for legal reasons not to use the “No Reason Not to Use It” approach. We substituted an alternative use of the “one good thing” approach, this time showing a split image of a beach. One side shows a beautiful landscape in pristine condition, full of blue fresh water. The other side shows that same landscape representing the bad effects of environmental pollution in the brownish colors of soil and refuse.

This approach attempts to present in pictorial form, the damage done by environmental stressors such as the use and discarding of virgin oil after only one use. The message in the ad makes this statement and addresses the findings from the focus groups. Respondents said that people want to feel that they are doing one good, solid thing that they can perceive helps the environment.

The left half of the graphic shows a scene of evident environmental degradation, driving the point home even more forcibly. The right half shows the effect of doing “one good thing” for the environment.

Showing graphic pictures of environmental damage in this context would be using a “fear appeal.” In other words, the reader is “hit in the face,” so to speak, with what awful things could happen if he does not do as asked and does not use the product. Fear appeals are by their very nature negative, and it is extremely difficult to gauge the readers’ possible response to them. In other words, they don’t always work.

The classic example of a “fear appeal,” in marketing, is a print ad run by a major hotel chain, with a picture of a *black widow spider* settling on the pillow of a hotel bed. The message is that “this would never happen” at *their* chain—suggesting that readers spend their vacation stay *there*. But, in using this approach, the advertiser risks spending money to remind readers that it *could* happen, in *any* hotel! This possible reinforcement of a negative message is the risk of using the fear appeal.

For that reason, especially since this is a product that the market has very little experience with and may also *have some fear about already* (about its destroying their engine), we avoided the straight fear approach. This approach, while making the graphic suggestion of environmental degradation, quickly moves the reader (indeed, in just shifting his eyes to the right!) into thinking about *the good he can do* simply by getting the re-refined oil change. The “bad” (fearful) image is quickly forgotten while the reader looks at the literally sunny graphic at the right—all is restored to wonderfulness by his simple action of having the right oil change.

The typeface, the fuzzy nature, and size of the headline is intended to suggest that the message came “from above,” with the halo reinforcing the “heavenly” connection of this “good deed.”

In this version, the reader can actually see what might happen if Californians collectively do or do not heed the suggestions and use re-refined oil. The right side of the graphic offers hope by literally showing the more optimistic picture: that if Californians heed the warnings of environmentalists and take such actions as using re-refined oil, they can avert this negative picture of the future. The sand, sea, and sky in this beach all look fresh and clean. A picture of water was chosen to subtly remind the viewer that water pollution is particularly impacted by the misuse of oil and oil disposal (in marketing terms, *disposition*)—a problem partially solved by the recycling of motor oil.

# Glossary of Terms

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Coupons—the issuing of price-off (cents off, etc.) coupons to both entice and remind a potential customer of a special offer.

Disposition—the disposing of a product; products go through the process of acquisition, use and disposition.

Grease Monkey, Grease Monkey International—the brand name of the chain of quick lube shops.

Distribution channel—the succession of businesses through which a product passes on its journey between the original manufacturer and the end user of the product. Its members, or *distributors*, are often wholesalers and retailers. Although many businesses distribute their own products, they do not pass through the hands of any of these so-called “*middle men*.”

Quick lubes—retail outlets of quick service concerns which perform automotive oil changes and often other simple car maintenance jobs as a specialized service offering.

Order writers—those who write up the oil change service order at a quick lube.

Promo—promotion of a product or service, usually advertisements.

Rack card—a piece of marketing promotion, or advertisement, to be displayed on a rack, placed on the counter of a business so customers can see it. The rack cards used in this study were a single page (had no folds), printed on heavy paper (card stock), exactly like the other rack cards that Grease Monkey displays.

Research design—the strategy or plan by which a research project is intended to be carried out.

Segment, market segment—One part of the market; a portion of the overall market for a good or service characterized by its members’ having more in common with other members of that same segment than with members of other segments. For example, quick lube may serve two segments: 1) the segment of the individual motorist and (2) another segment made up of fleet automobiles maintained by a government, utility, or large company.

Marketing concept—the general idea that the *only* viewpoint to take when trying to sell a product is to think of the problem from the standpoint of that customer and his wants and needs.

Marketing mix—the four most basic tools that marketers can manipulate to entice a potential customer to buy a good or service: *price*, *product* considerations, *place* (distribution channels), and *promotion*.

Targeting, market target—in hoped-for receiver of the advertising message, and the ability to reach this hoped-for receiver.

“Virgin” oil—First-time-use motor oil.

Waste coverage—advertising coverage in geographic areas too remote for the viewer of that advertisement to have the ability to respond to it. For example, an advertisement of a Fresno restaurant in a local newspaper in Chicago.

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